



**Law
Commission**
Reforming the law

Leasehold home ownership: buying your freehold or extending your lease

Law Commission Consultation Paper

Statistical analysis of responses

LEASEHOLD HOME OWNERSHIP: BUYING YOUR FREEHOLD OR EXTENDING YOUR LEASE

STATISTICAL ANALYSIS OF RESPONSES

Introduction

- 1.1 This is a statistical analysis of the responses received to the Law Commission's Consultation Paper, *Leasehold home ownership: buying your freehold or extending your lease* (Consultation Paper No 238). This analysis of responses does not include responses to the questions we asked on the topic of valuation (in Chapter 15); responses to those questions are analysed in a separate document, available on our website.
- 1.2 The purpose of this analysis is to give a statistical overview of consultees' views in respect of the questions we asked in that Consultation Paper. We received over 1,000 responses. Most consultees answered at least one question in the Consultation Paper, and their responses are reflected in this statistical analysis. Some consultees did not respond to specific questions, but instead made general comments about leasehold ownership. Those responses are not reflected in this statistical analysis but have been taken into account.
- 1.3 This analysis is structured by consultation question (and therefore by chapter of the Consultation Paper). Where a question invited consultees' views, the number of consultees who responded to the question is provided. Some questions, for instance those containing a provisional proposal, asked whether consultees agreed, disagreed or had other views – for these questions, the following information is provided:
 - (1) a pie chart, to demonstrate the proportion of consultees who agreed, disagreed, or who had other views;
 - (2) a table showing the number of consultees (broken down by category) who agreed, disagreed or who had other views; and
 - (3) the number of consultees who provided substantive comments in response to the question.

Some questions contained multiple parts.

- 1.4 In carrying out this analysis, we have categorised consultees as best we could, in order to assist with understanding the distribution of the views across different groups in respect of different topics.¹ In doing so, however, we do not wish to suggest that everyone within a given category would have a single opinion, or that their opinion would necessarily be different from that of consultees in other categories. But our

¹ The categories that we have adopted are: leaseholders and representative bodies; commercial investors; social housing sector; charitable sector; legal professionals; surveyors; other professionals; and other consultees. Those are very broad categories. For example, commercial investors might include large pension funds, but also individuals who have a second home which they sell on a long lease to provide retirement funds.

categorisation is an attempt to group those consultees who, in general, are likely to have similar interests, priorities or experiences.

- 1.5 When analysing the responses we received, we acknowledged that certain groups of consultees have particular expertise or experience in relation to certain topics. For example, the views of legal professionals who regularly advise clients on litigating points under the current law were particularly useful in preparing our recommendations on procedure and dispute resolution. Equally, the views of leaseholders assisted us greatly in understanding the challenges the current qualifying criteria pose for leaseholders attempting to exercise enfranchisement rights.
- 1.6 In addition, we have sometimes weighed the opinions of different stakeholders within these broad categories differently (either in general, or in response to particular questions). For example, a response from a representative body based on a survey of its members would be given greater weight than a response from one individual whom they represent.
- 1.7 Finally, we emphasise that we do not make decisions simply on the basis of the numbers of consultees who were in favour of, or against, a proposal. We have looked at the substance of what consultees have said and sometimes made decisions based on a significant point raised by only a few consultees.

Accuracy of the statistics

- 1.8 It is important to note that the statistics provided below simply reflect which boxes were ticked by consultees in entering their consultation responses on the online response platform, Citizen Space. It has become clear to us whilst reading responses that people sometimes ticked the wrong answer by mistake (choosing, for instance, “Yes” when their substantive answer revealed that they meant “No”). Moreover, there were several questions where a number of consultees misunderstood what was being asked. As a result, while these statistics are a useful guide, they are not necessarily a definitive reflection of consultees’ views.

ANALYSIS OF RESPONSES BY CHAPTER

Chapters 1 and 2

- 1.9 There were no consultation questions in Chapters 1 and 2.

Chapter 3

Consultation Question 1

Consultation Question 1.

- 3.42 We invite the views of consultees as to whether a reformed enfranchisement regime should treat particular issues differently in England and in Wales. Consultees are welcome to share their views on this point here, or in response to questions which we ask later on particular issues.

1.10 480 consultees answered Consultation Question 1 (para 3.42).

Chapter 4

Consultation Question 2

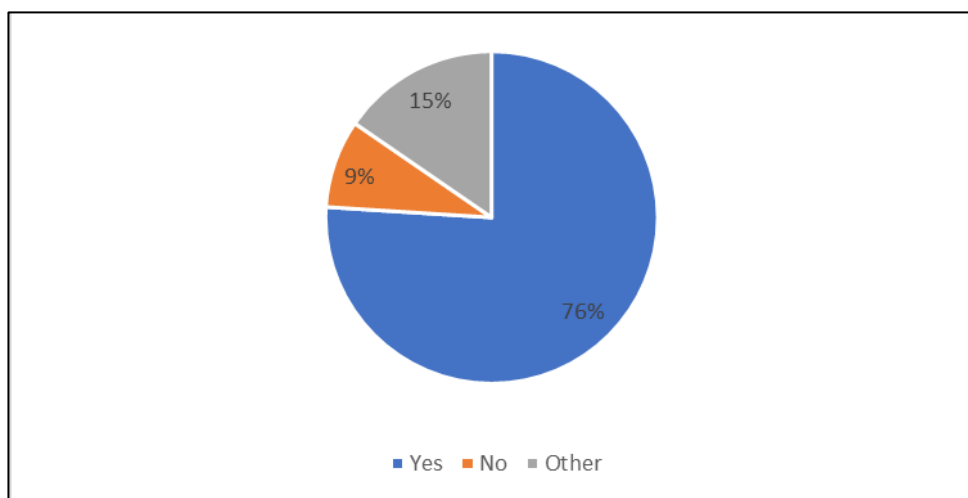
Consultation Question 2.

4.40 We provisionally propose that leaseholders of both houses and flats should be entitled, as often as they so wish (and on payment of a premium), to obtain a new, extended lease at a nominal ground rent. Do consultees agree?

4.41 We invite the views of consultees as to:

- (1) the appropriate length of such a lease extension; and
- (2) the points at which the landlord should be entitled to terminate the lease (paying appropriate compensation to the leaseholder) for the purposes of redevelopment.

1.11 Consultation Question 2 (paras 4.40 and 4.41) was divided into two parts. In response to the first part (para 4.40), the statistics were as follows:



Part 1 of Consultation Question 2 (para 4.40)

	Yes	No	Other	Total
Leaseholders and representative bodies	214	29	57	300
Commercial investors	19	1	2	22
Social housing sector	2	0	1	3
Charitable sector	1	1	0	2
Legal professionals	44	2	8	54
Surveyors	10	3	4	17
Other professionals	9	0	1	10
Other consultees	189	19	26	234
Grand Total	488	55	99	642

1.12 500 consultees provided comments with their answers.

1.13 In respect of the second part of the question (para 4.41), 506 consultees responded.

Consultation Question 3

Consultation Question 3.

4.46 We invite the views of consultees as to whether the right to a lease extension should in all cases be a right to an extended term at a nominal ground rent, or whether leaseholders should also have the choice:

- (1) only to extend the lease (without changing the ground rent); or
- (2) only to extinguish the ground rent (without extending the lease).

1.14 447 consultees responded substantively to Consultation Question 3 (para 4.46). Consultees were also provided with a choice of options, regarding which:

- (1) 358 consultees chose “The right to a lease extension should in all cases be a right to an extended term at a nominal ground rent”;
- (2) 301 consultees chose “Leaseholders should also have the choice to extend the lease (without changing the ground rent)”;
- (3) 320 consultees chose “Leaseholders should also have the choice to extinguish the ground rent (without extending the lease)”.²

² Note that it was possible to choose one or more of these options.

Consultation Question 4

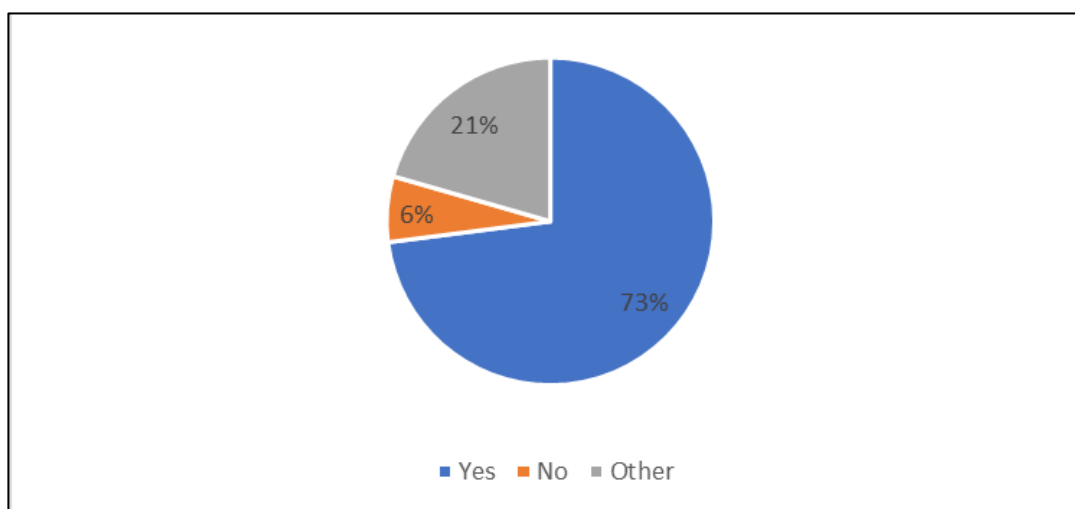
Consultation Question 4.

4.52 We provisionally propose that:

- (1) a leaseholder claiming a lease extension should be entitled to a lease extension of the whole of the premises let under his or her existing lease, whether or not the entirety of the premises falls within the curtilage of the building;
- (2) landlords should be able to propose that other land be included within a lease extension, and that there should be no time limit within which that proposal can be made; and
- (3) there should be no power for landlords to argue that parts of the premises let under a leaseholder's existing lease should be excluded from a lease extension.

Do consultees agree?

1.15 In response to Consultation Question 4 (para 4.52), the statistics were as follows:



Consultation Question 4 (para 4.52)				
	Yes	No	Other	Total
Leaseholders and representative bodies	181	11	60	252
Commercial investors	8	4	4	16
Social housing sector	1	0	1	2
Charitable sector	1	1	0	2
Legal professionals	29	4	13	46
Surveyors	9	1	5	15
Other professionals	4	3	2	9
Other consultees	161	11	26	198
Grand Total	394	35	111	540

1.16 310 consultees provided comments with their answers.

Consultation Question 5

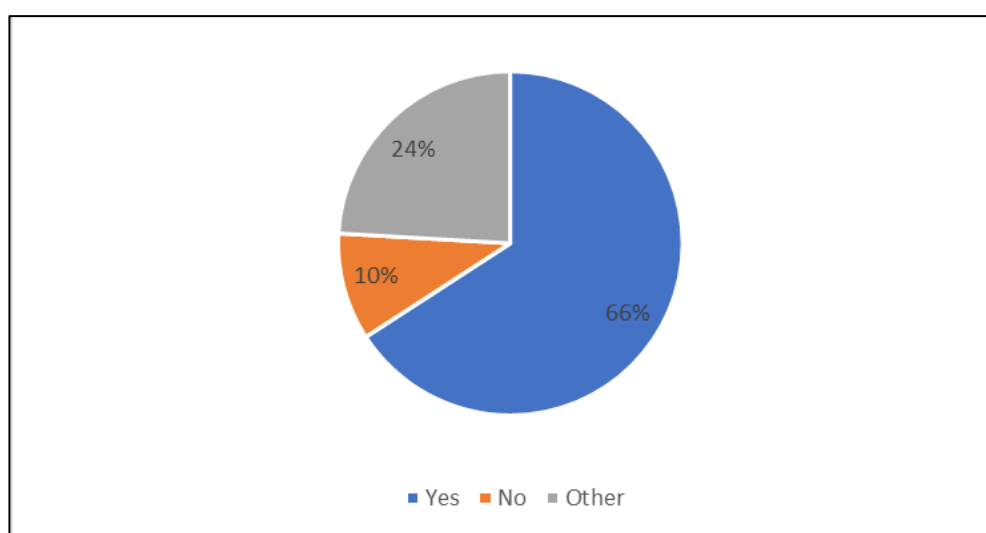
Consultation Question 5.

4.54 We provisionally propose that a lease extension should automatically:

- (1) be subject to any mortgage that is secured over the existing lease, and
- (2) bind the landlord's mortgagee.

Do consultees agree?

1.17 The statistics for Consultation Question 5 (para 4.54) were as follows.



Consultation Question 5 (para 4.54)				
	Yes	No	Other	Total
Leaseholders and representative bodies	128	23	67	218
Commercial investors	16	2	1	19
Social housing sector	0	0	2	2
Charitable sector	1	0	0	1
Legal professionals	39	2	9	50
Surveyors	11	0	3	14
Other professionals	6	1	0	7
Other consultees	119	21	35	175
Grand Total	320	49	117	486

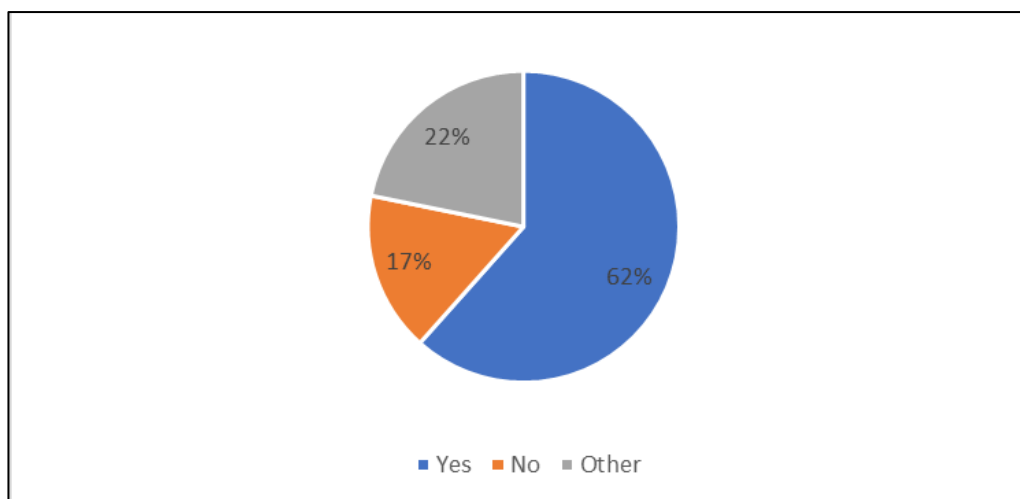
1.18 267 consultees provided comments with their answers.

Consultation Question 6

Consultation Question 6.

- 4.91 We provisionally propose that (except in the case of *Aggio*-style leases and cases where the common parts of a building are owned and managed by a third party) the terms of a lease extension (other than the length of the term and the ground rent) should be identical to the terms of the existing lease, save where either party has elected to include terms drawn from a prescribed list of non-contentious modernisations. Do consultees agree?
- 4.92 We invite the views of consultees as to the terms that should be included within such a prescribed list.
- 4.93 Do consultees consider that it would be appropriate to adopt a standard or model lease for *Aggio*-style leases? Alternatively, would it be appropriate to use a standard or model lease as a starting point in such cases?

1.19 There were three parts to Consultation Question 6 (paras 4.91 to 4.93). The statistics for the first part (para 4.91) were as follows.



Part 1 of Consultation Question 6 (para 4.91)

	Yes	No	Other	Total
Leaseholders and representative bodies	131	36	65	232
Commercial investors	8	7	3	18
Social housing sector	2	0	2	4
Charitable sector	1	1	0	2
Legal professionals	27	14	7	48
Surveyors	10	3	3	16
Other professionals	5	3	0	8
Other consultees	124	19	29	172
Grand Total	308	83	109	500

1.20 339 consultees provided comments with their answers.

1.21 233 consultees responded to the second part of the Consultation Question (para 4.92).

1.22 244 consultees responded to the third part of the Consultation Question (para 4.93).

Consultation Question 7

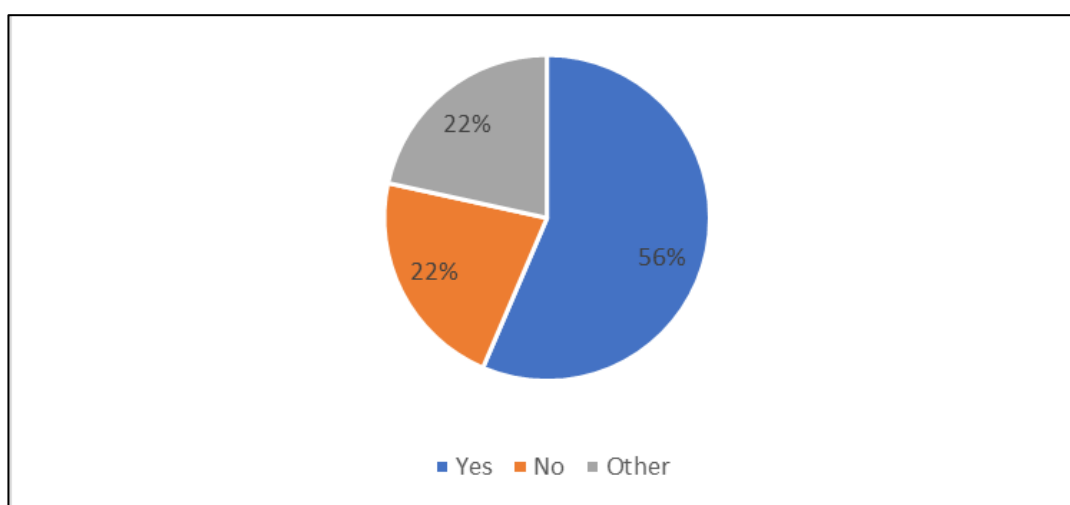
Consultation Question 7.

4.98 Do consultees consider that the ability of parties to enter into a lease extension outside the 1967 and 1993 Acts creates significant problems in practice?

4.99 What steps, if any, do consultees consider could be taken to control or limit the use or impact of parties entering into a lease extension outside of a new statutory enfranchisement regime?

1.23 There were two parts to Consultation Question 7 (paras 4.98 to 4.99).

1.24 In respect of the first part (para 4.98), the statistics were:



Part 1 of Consultation Question 7 (para 4.98)

	Yes	No	Other	Total
Leaseholders and representative bodies	139	22	56	217
Commercial investors	1	18	2	21
Social housing sector	0	1	2	3
Charitable sector	0	0	1	1
Legal professionals	15	23	10	48
Surveyors	7	7	2	16
Other professionals	3	3	2	8
Other consultees	102	30	27	159
Grand Total	267	104	102	473

1.25 395 consultees provided comments with their answers.

1.26 325 consultees responded to the second part of the Consultation Question (para 4.99).

Consultation Question 8

Consultation Question 8.

4.101 We invite consultees to tell us about their experiences in practice of the statutory provisions under the 1967 and 1993 Acts which enable a landlord and leaseholder, with court approval, to enter into a lease extension under which the leaseholder is precluded from exercising further enfranchisement rights in the future.

4.102 Do consultees consider that similar provision should be made under any new enfranchisement regime?

1.27 Consultation Question 8 (paras 4.101 to 4.102) consisted of two parts.

(1) 309 consultees responded to the first part (para 4.101).

(2) 252 consultees responded to the second part (para 4.102).

Consultation Question 9

Consultation Question 9.

4.103 To what extent would our proposed uniform right to a lease extension at a nominal ground rent, for both houses and flats, increase the likelihood of leaseholders seeking lease extensions under (future) enfranchisement legislation?

1.28 402 consultees responded to Consultation Question 9 (para 4.103).

Consultation Question 10

Consultation Question 10.

4.104 We welcome evidence as to whether, and if so, how, an increase in the length of a statutory lease extension would affect:

- (1) the leasehold market; and
- (2) the mortgageability of leases.

1.29 352 consultees responded to Consultation Question 10 (para 4.104).

Consultation Question 11

Consultation Question 11.

4.105 We have asked whether leaseholders should have the option of:

- (1) extending their leases without changing the ground rent; or
- (2) extinguishing their ground rent without extending the term of the lease.

We welcome evidence as to the likely uptake of these options by leaseholders.

1.30 371 consultees responded to Consultation Question 11 (para 4.105).

Consultation Question 12

Consultation Question 12.

4.106 To what extent does the current ability of parties negotiating a lease extension to include such terms as they may agree in the lease extension:

- (1) increase the duration and cost of the enfranchisement process;
- (2) increase the potential for disputes; and
- (3) lead to the imposition of onerous or undesirable terms upon leaseholders under the lease extension, resulting in additional future costs to leaseholders?

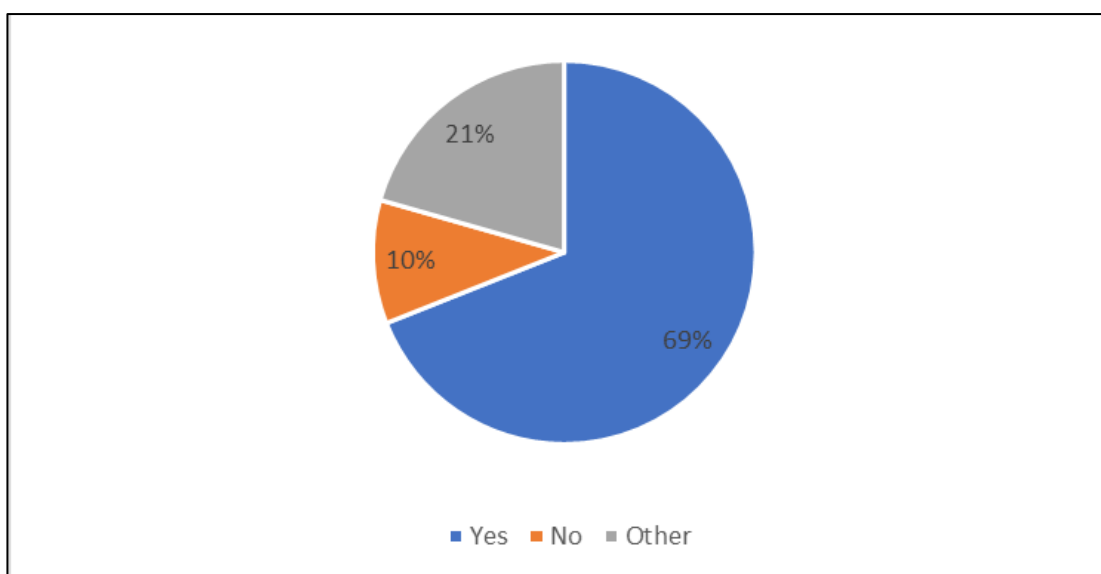
4.107 To what extent would restricting parties' ability to introduce new terms into a lease extension to terms which are drawn from a prescribed list:

- (1) reduce the time and cost involved in acquiring a lease extension;
- (2) reduce the potential for disputes; and
- (3) reduce future costs to leaseholders arising from the terms of the lease extension?

4.108 Would this reform lead to a higher proportion of leaseholders seeking to exercise their right to a lease extension?

1.31 Consultation Question 12 (paras 4.106 to 4.108) was divided into three parts.

- (1) 351 consultees answered the first part (para 4.106).
- (2) 315 consultees answered the second part (para 4.107).
- (3) In respect of the third part (para 4.108), the statistics were as follows.



Part 3 of Consultation Question 12 (para 4.108)				
	Yes	No	Other	Total
Leaseholders and representative bodies	135	8	41	184
Commercial investors	1	7	6	14
Social housing sector	0	0	1	1
Legal professionals	11	11	10	32
Surveyors	7	5	1	13
Other professionals	5	2	0	7
Other consultees	99	6	18	123
Grand Total	258	39	77	374

1.32 255 consultees provided comments with their answers.

Chapter 5

Consultation Question 13

Consultation Question 13.

5.30 We provisionally propose that, where an individual freehold acquisition claim is made:

- (1) the leaseholder should be entitled to a transfer of:
 - (a) the whole of the building in which his or her residential unit is situated, even if parts of that building are not included within his or her existing lease; and
 - (b) the whole of his or her premises let under the existing lease, whether or not the entirety of those premises falls within the curtilage of the building; and
- (2) there should be no statutory deadline or time limit for landlords to propose that other land originally let to the leaseholder, but now assigned to another, should also be included in the transfer, or that parts of the premises that are above or below other premises in which he has an interest should be excluded from the transfer.

Do consultees agree?

1.33 463 consultees responded to Consultation Question 13 (para 5.30).

Consultation Question 14

Consultation Question 14.

5.34 We provisionally propose that, where an individual freehold acquisition claim is made:

- (1) any mortgage secured against the freehold title should automatically be discharged upon execution of the transfer; but
- (2) the leaseholder should be under a duty to pay:
 - (a) the whole of the price; or
 - (b) (if less) the sum outstanding under the mortgage;to the mortgagee or, alternatively, into court; and
- (3) any sums due from the leaseholder to the landlord should be reduced by any sums paid under (2) above.

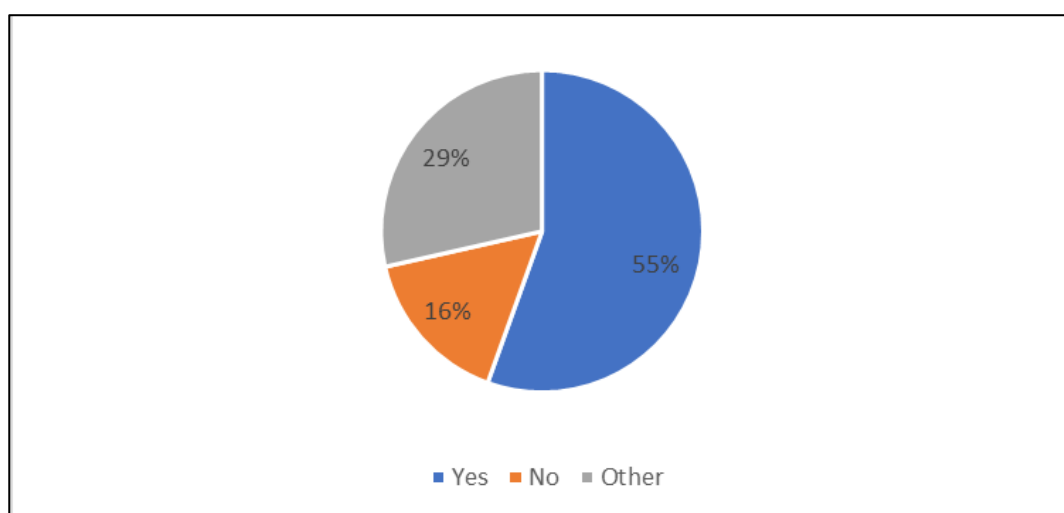
Do consultees agree?

5.35 We also provisionally propose that where an individual freehold acquisition claim is made – save in the case of estate rentcharges imposed to secure positive covenants – a landlord should be under a duty to use his or her best endeavours to redeem any rentcharge.

Do consultees agree?

1.34 Consultation Question 14 (paras 5.34 to 5.35) was a two-part question.

(1) In respect of the first part (para 5.34), the statistics were as follows.

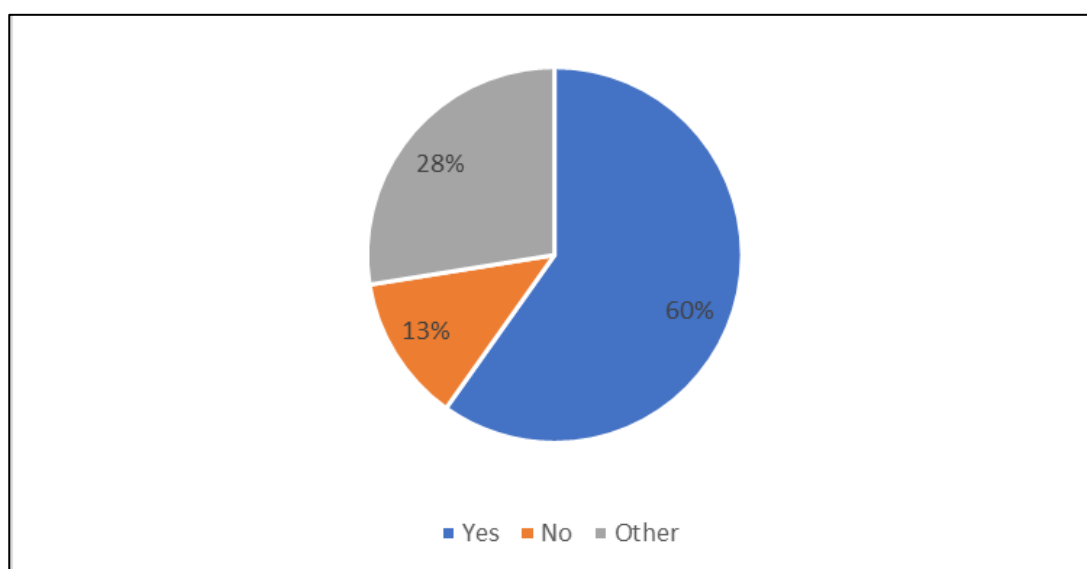


Part 1 of Consultation Question 14 (para 5.34)

	Yes	No	Other	Total
Leaseholders and representative bodies	87	29	62	178
Commercial investors	12	4	2	18
Social housing sector	0	0	1	1
Legal professionals	20	5	15	40
Surveyors	7	3	0	10
Other professionals	5	0	0	5
Other consultees	81	20	29	130
Grand Total	212	61	109	382

240 consultees provided comments with their answers.

(2) In respect of the second part (para 5.35), the statistics were as follows.

**Part 2 of Consultation Question 14 (para 5.35)**

	Yes	No	Other	Total
Leaseholders and representative bodies	93	18	57	168
Commercial investors	9	3	4	16
Legal professionals	24	10	7	41
Surveyors	7	0	3	10
Other professionals	3	1	1	5
Other consultees	77	13	26	116
Grand Total	213	45	98	356

199 consultees provided comments with their answers.

Consultation Question 15

Consultation Question 15.

5.48 We invite the views of consultees as to whether a leaseholder making an individual freehold acquisition claim should acquire the freehold subject to the rights and obligations on which the freehold is currently held, or on terms reflecting the rights and obligations contained in the existing lease.

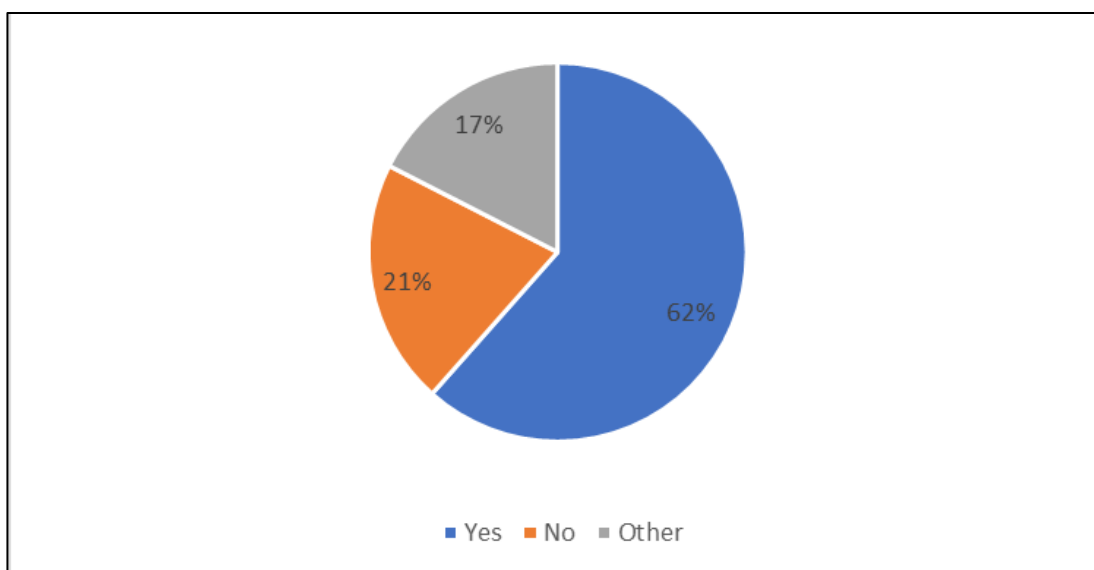
5.49 We provisionally propose that, on an individual freehold acquisition claim, additional terms may only be added to the transfer where the leaseholder elects to include a term drawn from a prescribed list of terms.

Do consultees agree?

5.50 We invite the views of consultees as to the types of additional terms that should be included within such a prescribed list.

1.35 Consultation Question 15 (paras 5.48 to 5.50) was divided into three parts.

- (1) 360 consultees answered the first part (para 5.48).
- (2) The statistics for the second part (para 5.49) were as follows (with 231 consultees providing comments with their answers).



Part 2 of Consultation Question 15 (para 5.49)				
	Yes	No	Other	Total
Leaseholders and representative bodies	124	21	39	184
Commercial investors	1	8	3	12
Social housing sector	1	0	1	2
Charitable sector	0	1	0	1
Legal professionals	17	15	2	34
Surveyors	6	4	0	10
Other professionals	2	2	1	5
Other consultees	78	27	19	124
Grand Total	229	78	65	372

- (3) 214 consultees answered the third part of this Consultation Question (para 5.50).

Consultation Question 16

Consultation Question 16.	
5.56	We invite the views of consultees as to whether, where a leaseholder's existing lease contains rights and obligations in respect of land that is to be retained by the landlord, the leaseholder should (where there is no current estate management scheme in place) acquire the freehold subject to terms in respect of the retained land that:
(1)	reflect the rights and obligations set out in the leaseholder's existing lease; or
(2)	appear within a prescribed list of appropriate covenants.
5.57	We invite the view of consultees as to the types of terms that should be included within such a prescribed list.

1.36 Consultation Question 16 (paras 5.56 to 5.57) was a two-part question.

- (1) 304 consultees answered the first part (para 5.56).
- (2) 182 consultees answered the second part (para 5.57).

Consultation Question 17

Consultation Question 17.

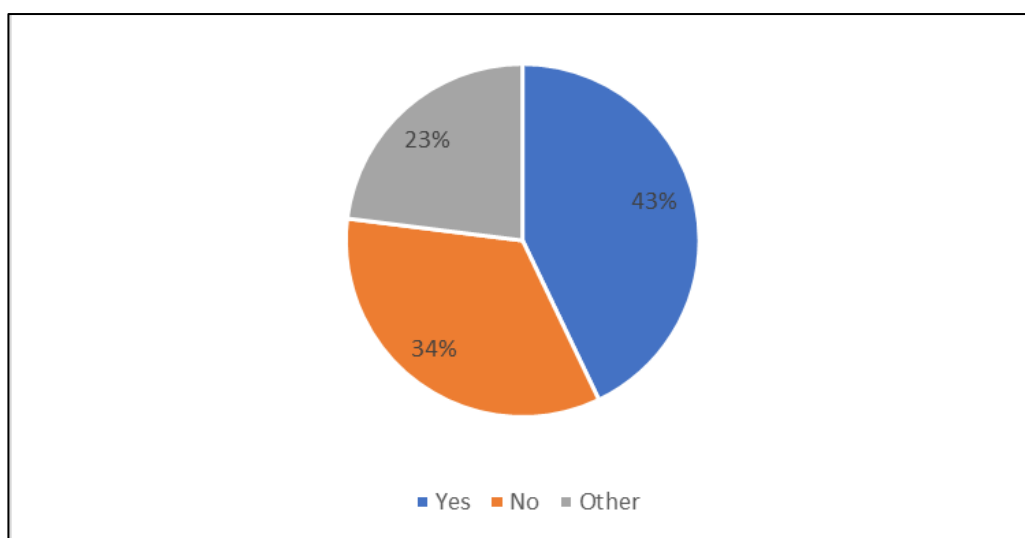
5.62 We provisionally propose that any obligation owed to a landlord of an estate by a leaseholder who has acquired the freehold of their premises should be enforceable whether or not the landlord has retained land that benefits from that obligation.

Do consultees agree?

5.63 We invite the views of consultees as to whether unpaid sums due from a leaseholder who has acquired the freehold of their premises to a landlord of an estate should be capable of being charged against the freehold and enforced by the landlord as if he or she were a mortgagee of the property.

1.37 Consultation Question 17 (paras 5.62 to 5.63) was a two-part question.

- (1) The statistics for the first part (para 5.62) were as follows (with 225 consultees providing comments with their answers).



Part 1 of Consultation Question 17 (para 5.62)

	Yes	No	Other	Total
Leaseholders and representative bodies	41	60	50	151
Commercial investors	14	2	1	17
Social housing sector	1	0	0	1
Charitable sector	3	0	0	3
Legal professionals	29	8	5	42
Surveyors	8	2	0	10
Other professionals	3	1	1	5
Other consultees	52	47	24	123
Grand Total	151	120	81	352

- (2) 267 consultees answered the second part of this Consultation Question (para 5.63).

Consultation Question 18

Consultation Question 18.

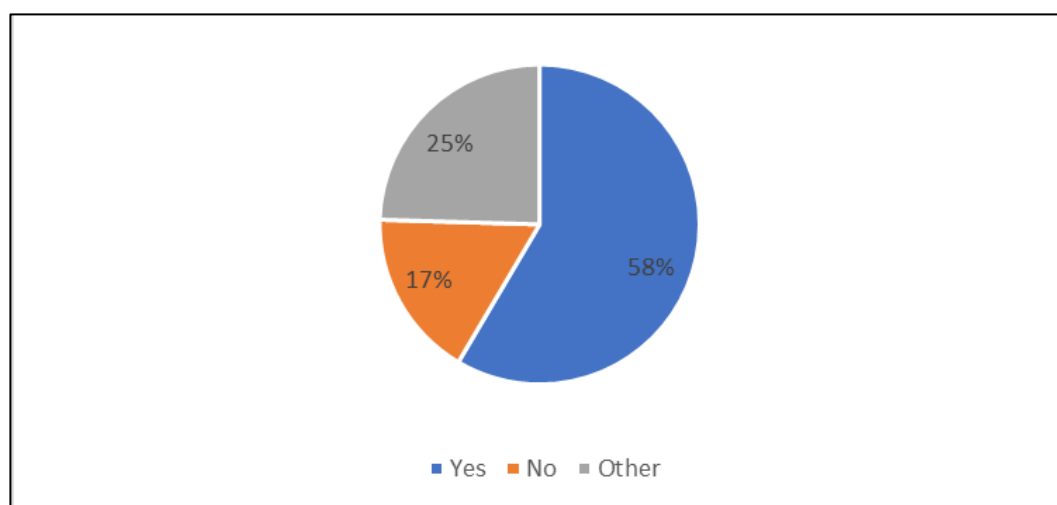
5.66 We provisionally propose that where a leaseholder's existing lease does not contain rights and obligations in respect of land that is to be retained by the landlord, the leaseholder should (where there is no current estate management scheme in place) acquire the freehold subject to terms in respect of the retained land that appear within a prescribed list of appropriate covenants.

Do consultees agree?

5.67 We invite the views of consultees as to the types of terms that should be included within any prescribed list.

1.38 Consultation Question 18 (paras 5.66 to 5.67) was a two-part question.

- (1) The statistics for the first part of the Consultation Question (para 5.66) were as follows (with 209 consultees providing comments with their answers).



Part 1 of Consultation Question 18 (para 5.66)

	Yes	No	Other	Total
Leaseholders and representative bodies	85	16	47	148
Commercial investors	5	5	4	14
Social housing sector	0	0	1	1
Charitable sector	0	1	0	1
Legal professionals	21	8	4	33
Surveyors	10	0	0	10
Other professionals	4	1	0	5
Other consultees	61	23	22	106
Grand Total	186	54	78	318

- (2) 152 consultees responded to the second part of this Consultation Question (para 5.67).

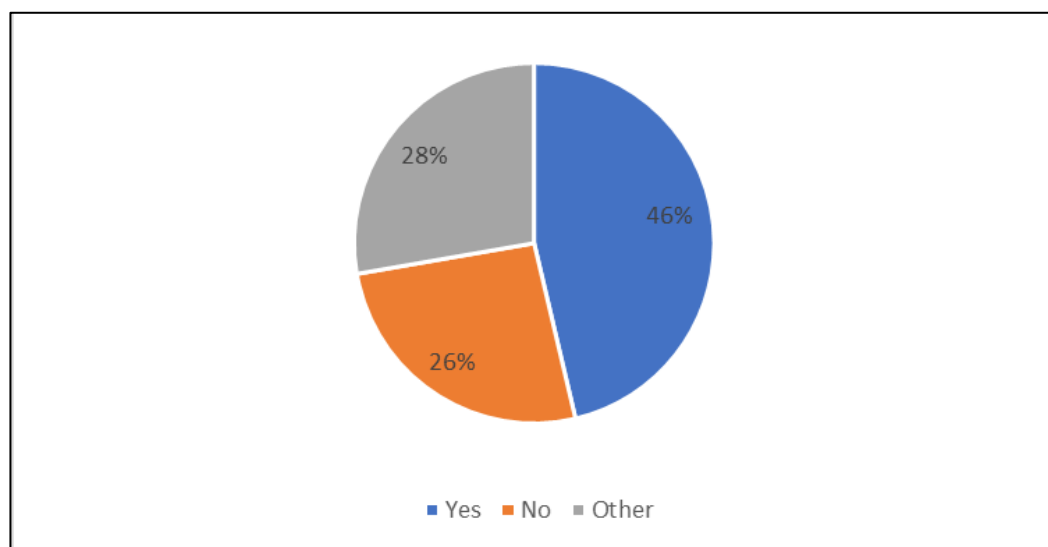
Consultation Question 19

Consultation Question 19.

- 5.70 Do consultees believe that the ability of parties to enter into a transfer of the freehold of a house outside the 1967 Act creates significant problems in practice?
- 5.71 What steps, if any, do consultees believe could be taken to control or limit the use or impact of parties entering into a freehold transfer to an individual leaseholder outside of a new statutory enfranchisement regime?

1.39 Consultation Question 19 (paras 5.70 to 5.71) was a two-part question.

- (1) In respect of the first part of the Question (para 5.70), the statistics were as follows (with 259 consultees providing comments with their answers).



Part 1 of Consultation Question 19 (para 5.70)

	Yes	Other	No	Total
Leaseholders and representative bodies	95	53	18	166
Commercial investors	1	2	13	16
Charitable sector	0	1	0	1
Legal professionals	4	6	27	37
Surveyors	1	3	5	9
Other professionals	1	1	3	5
Other consultees	55	28	22	105
Grand Total	157	94	88	339

- (2) 240 consultees responded to the second part of this Consultation Question (para 5.71).

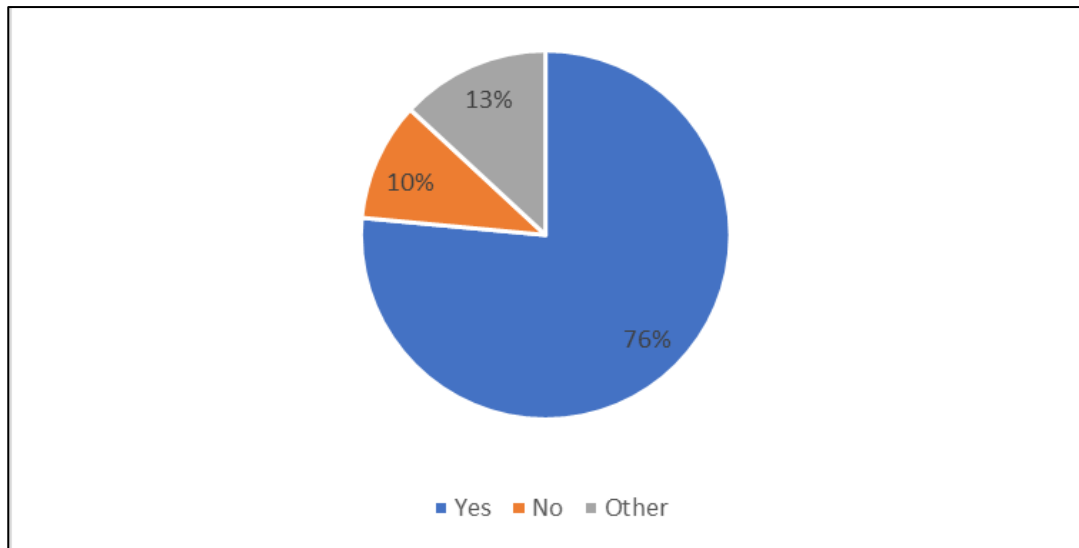
Consultation Question 20

Consultation Question 20.

- 5.72 To what extent does the current ability of parties negotiating the terms of a claim to acquire the freehold of a house to agree the terms of the freehold transfer without restriction:
- (1) increase the duration and cost of the enfranchisement process;
 - (2) increase the potential for disputes; and
 - (3) lead to the inclusion of unusual terms within the freehold transfer, resulting in additional future costs to former leaseholders?
- 5.73 To what extent would limitations on the ability of parties to include new rights and obligations in a freehold transfer to an individual leaseholder:
- (1) reduce the time and cost involved in acquiring the freehold individually;
 - (2) reduce the potential for disputes; and
 - (3) reduce future costs to former leaseholders arising from the terms of the freehold transfer?
- 5.74 Would this reform result in a higher proportion of leaseholders seeking to exercise their right of individual freehold acquisition?

1.40 Consultation Question 20 (paras 5.72 to 5.74) was a three-part question.

- (1) 320 consultees responded to the first part of the Question (para 5.72).
- (2) 282 consultees responses to the second part (para 5.73).
- (3) The statistics for the third part of the Question (para 5.74) were as follows (with 237 providing comments with their answers).



Count of Question 20: - Uptake				
	Yes	No	Other	Total
Leaseholders and representative bodies	142	5	25	172
Commercial investors	3	7	2	12
Legal professionals	10	10	6	26
Surveyors	3	7	1	11
Other professionals	3	2	1	6
Other consultees	96	4	9	109
Grand Total	257	35	44	336

Chapter 6

Consultation Question 21

Consultation Question 21.

6.67 We provisionally propose:

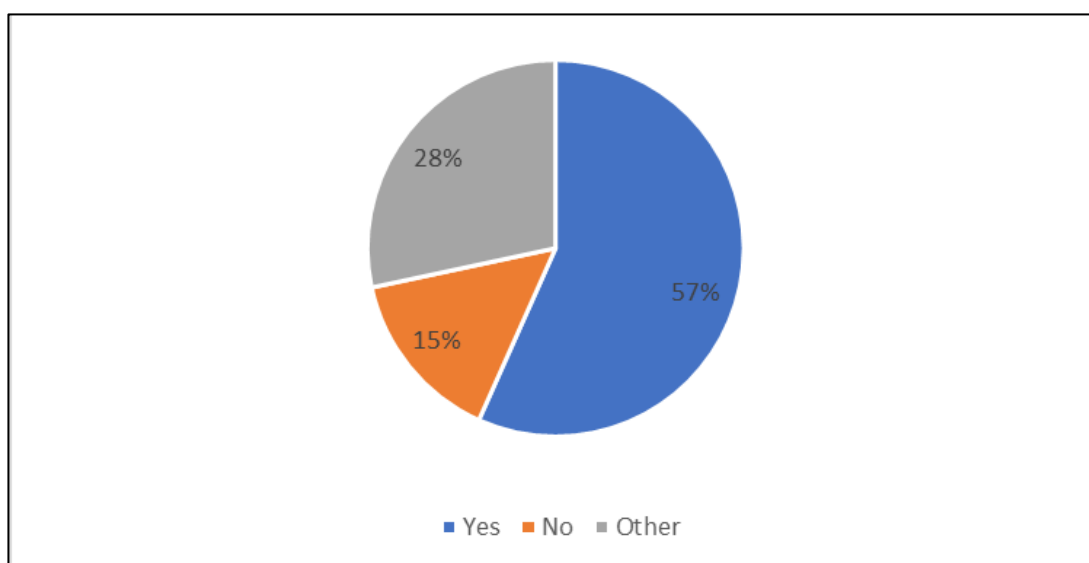
- (1) a general requirement that a collective freehold acquisition claim must be carried out by a nominee purchaser which is a company; and
- (2) an exception to the above requirement where:
 - (a) the premises to be acquired contain four residential units or fewer;
 - (b) all residential units are held on long leases;
 - (c) the leaseholders of all residential units are participating in the claim; and
 - (d) all those leaseholders agree.

Do consultees agree?

6.68 Do consultees consider that some of the requirements of company law are inappropriate or onerous for a nominee purchaser company and should be relaxed? If so, please tell us which.

1.41 Consultation Question 21 (paras 6.67 to 6.68) was a two-part question.

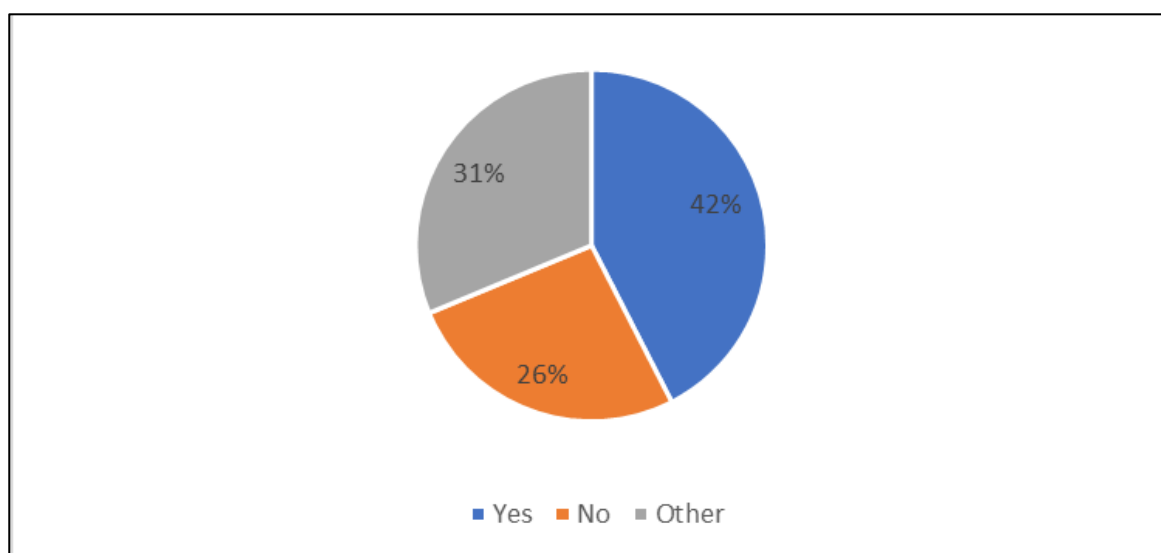
- (1) The statistics for the first part (para 6.67) were as follows, with 223 consultees providing comments with their answers.



Part 1 of Consultation Question 21 (para 6.67)

	Yes	No	Other	Total
Leaseholders and representative bodies	66	25	53	144
Commercial investors	11	2	3	16
Social housing sector	1	0	0	1
Charitable sector	0	0	1	1
Legal professionals	30	4	10	44
Surveyors	9	2	1	12
Other professionals	2	2	1	5
Other consultees	63	13	22	98
Grand Total	182	48	91	321

- (2) The statistics for the second part (para 6.68) were as follows, with 197 consultees providing comments with their answers.

**Part 2 of Consultation Question 21 (para 6.68)**

	Yes	No	Other	Total
Leaseholders and representative bodies	55	21	50	126
Commercial investors	2	10	1	13
Social housing sector	0	1	0	1
Charitable sector	0	0	1	1
Legal professionals	9	14	8	31
Surveyors	3	3	3	9
Other professionals	1	3	1	5
Other consultees	40	16	17	73
Grand Total	110	68	81	259

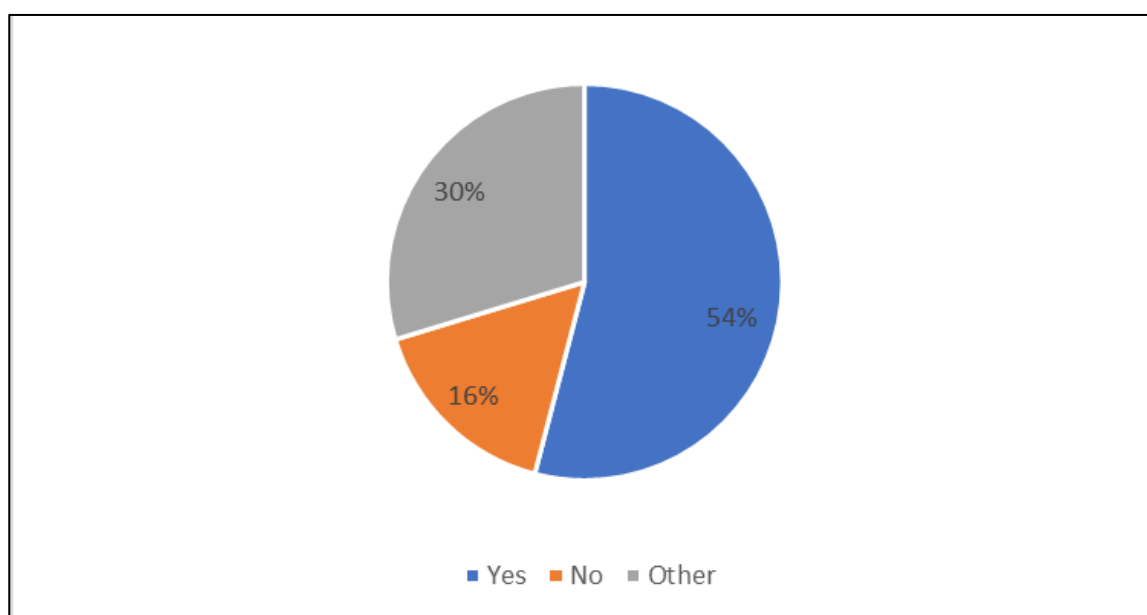
Consultation Question 22

Consultation Question 22.

6.79 We provisionally propose that the nominee purchaser company used for a collective freehold acquisition claim must be a company limited by guarantee.

Do consultees agree?

1.42 The statistics for Consultation Question 22 (para 6.79) were as follows, with 186 consultees providing comments with their answers.



Consultation Question 22 (para 6.79)				
	Yes	No	Other	Total
Leaseholders and representative bodies	58	14	55	127
Commercial investors	8	4	2	14
Social housing sector	1	0	0	1
Charitable sector	0	0	1	1
Legal professionals	24	11	5	40
Surveyors	9	1	2	12
Other professionals	2	2	1	5
Other consultees	51	14	18	83
Grand Total	153	46	84	283

Consultation Question 23

Consultation Question 23.

6.86 We provisionally propose that the articles of association of any nominee purchaser company exercising the right of collective freehold acquisition must contain certain prescribed articles. We also propose that those prescribed articles may only be departed from where:

- (1) all the residential units within the premises are held on long leases; and
- (2) the leaseholders of all residential units are members of the nominee purchaser company.

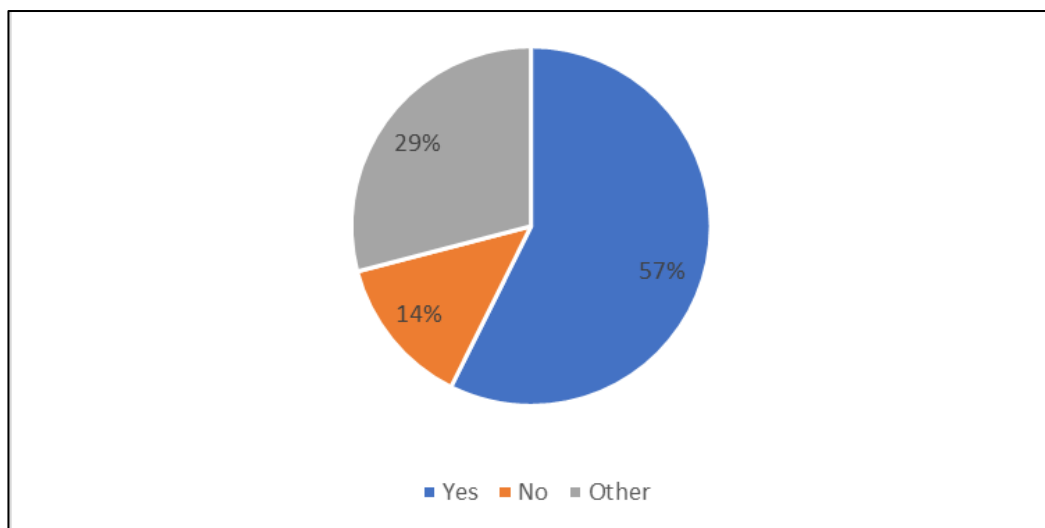
Do consultees agree?

6.87 We invite the views of consultees as to:

- (1) the matters in respect of which it would be desirable for articles to be prescribed; and
- (2) any matters in respect of which it would be desirable to require provision in the articles of association, albeit with some freedom as to that provision.

1.43 Consultation Question 23 (paras 6.86 to 6.87) was a two-part question.

- (1) The statistics for the first part (para 6.86) were as follows, with 178 consultees providing comments with their answers.



Part 1 of Consultation Question 23 (para 6.86)

	Yes	No	Other	Total
Leaseholders and representative bodies	55	11	51	117
Commercial investors	12	2	0	14
Social housing sector	1	0	0	1
Charitable sector	0	0	1	1
Legal professionals	23	7	9	39
Surveyors	8	3	0	11
Other professionals	3	1	1	5
Other consultees	50	12	15	77
Grand Total	152	36	77	265

- (2) 156 consultees responded to the second part of Consultation Question 23 (para 6.87).

Consultation Question 24**Consultation Question 24.**

6.91 We provisionally propose that a nominee purchaser company, having carried out a collective freehold acquisition, be restricted from disposing of the premises acquired, save where:

- (1) all the residential units within the premises are held on long leases;
- (2) the leaseholders of all residential units are members of the nominee purchaser company; and
- (3) all members of the company agree with the proposed disposition;

OR

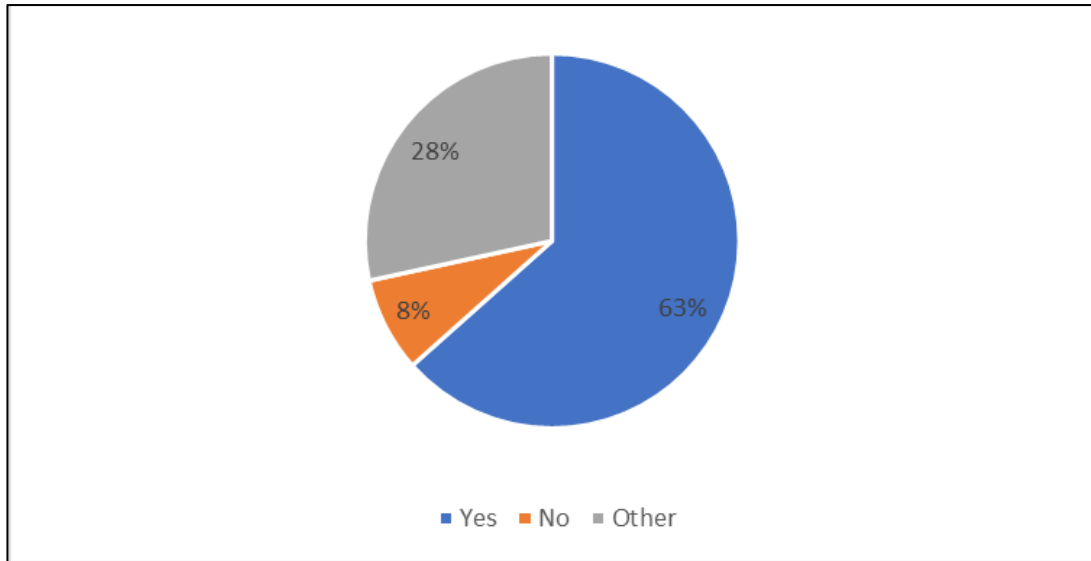
- (4) the Tribunal makes an order permitting the proposed disposition.

Do consultees agree?

6.92 We invite the views of consultees as to the grounds on which the Tribunal should be empowered to permit a disposition of the premises acquired collectively by a nominee purchaser company.

1.44 Consultation Question 24 (paras 6.91 to 6.92) was a two-part question.

- (1) In respect of the first part of the Question (para 6.91), the statistics were as follows (with 172 consultees providing comments with their answers).



Part 1 of Consultation Question 24 (para 6.91)

	Yes	No	Other	Total
Leaseholders and representative bodies	62	7	47	116
Commercial investors	10	1	1	12
Social housing sector	1	0	0	1
Charitable sector	0	0	1	1
Legal professionals	19	6	10	35
Surveyors	8	2	1	11
Other professionals	3	1	0	4
Other consultees	60	4	13	77
Grand Total	163	21	73	257

- (2) 147 consultees answered the second part of Consultation Question 24 (para 6.92).

Consultation Question 25

Consultation Question 25.

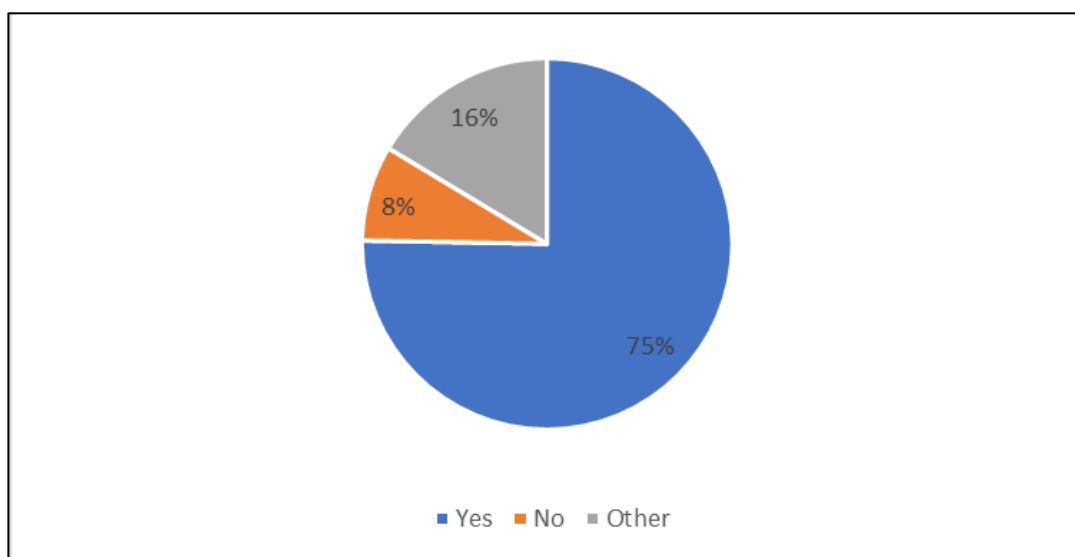
6.96 We provisionally propose that the right of collective freehold acquisition should extend to the acquisition of the freehold of an entire estate consisting of multiple buildings.

Do consultees agree?

6.97 We invite the views of consultees as to how such a right might operate. Do consultees consider that there are any problems with the approach we have suggested at paragraph 6.95, or any other issues for which we would need to provide?

1.45 Consultation Question 25 (paras 6.96 to 6.97) was a two-part question.

- (1) The statistics regarding the first part (para 6.96) of this question were as follows (with 239 consultees providing comments with their answers).



Part 1 of Consultation Question 25 (para 6.96)				
	Yes	No	Other	Total
Leaseholders and representative bodies	132	5	26	163
Commercial investors	8	6	5	19
Social housing sector	1	3	2	6
Charitable sector	0	2	0	2
Legal professionals	31	2	10	43
Surveyors	7	5	2	14
Other professionals	3	1	0	4
Other consultees	80	5	12	97
Grand Total	262	29	57	348

- (2) 165 consultees responded to the second part of Consultation Question 25 (para 6.97).

Consultation Question 26

Consultation Question 26.

6.103 We provisionally propose that a nominee purchaser carrying out a collective freehold acquisition should acquire:

- (1) the freehold to the building or buildings in which the flats are situated, including any common parts; and
- (2) any other land let with the flats within the building.

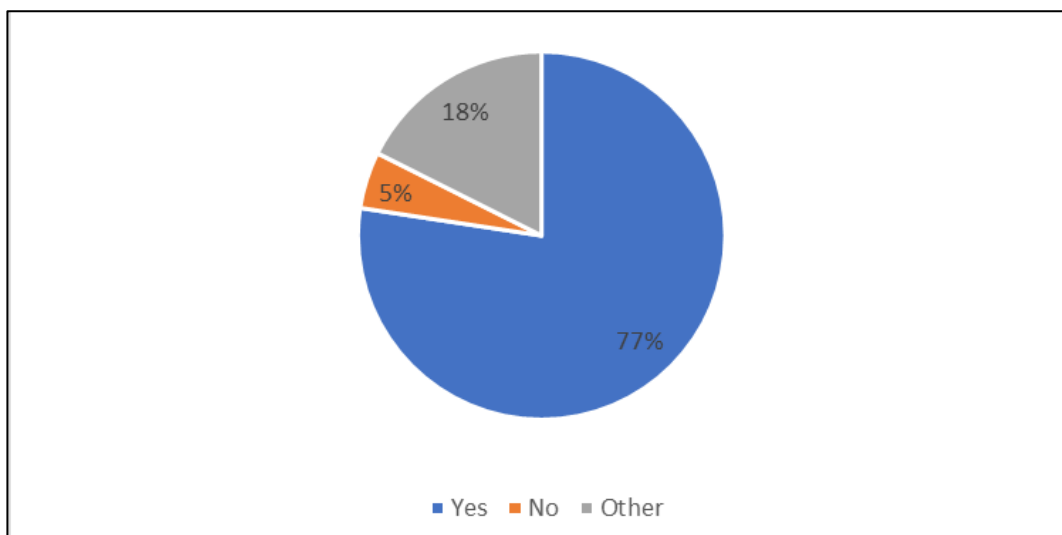
Do consultees agree?

6.104 We provisionally propose that a nominee purchaser carrying out a collective freehold acquisition should be entitled to acquire the freehold of other land over which the leaseholders exercise rights in common, provided that the right is shared only with other occupiers within the building(s) being acquired.

Do consultees agree?

1.46 Consultation Question 26 (paras 6.103 to 6.104) was a two-part question.

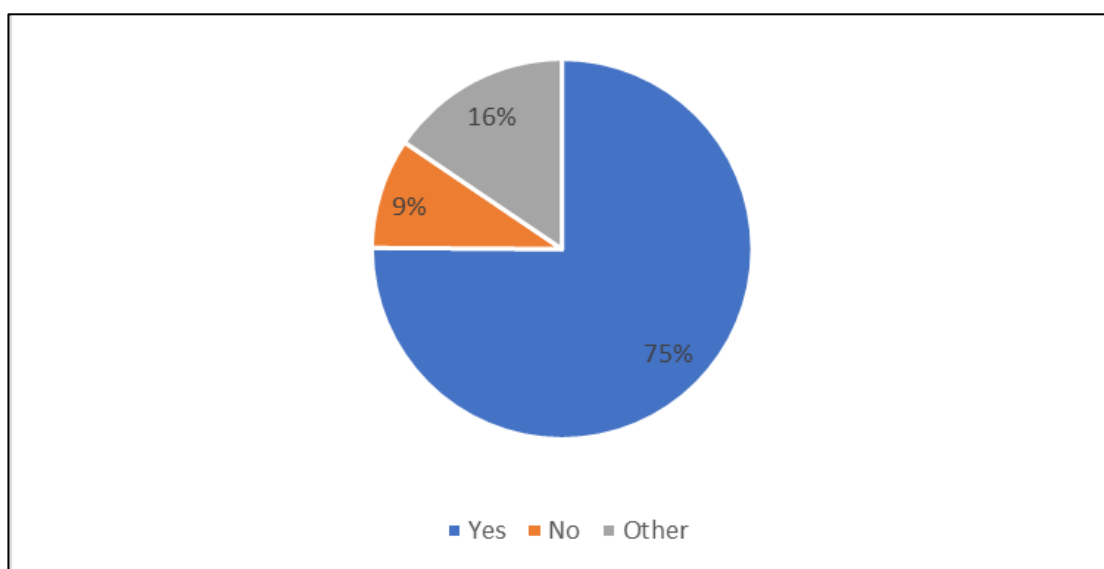
- (1) The statistics for the first part (para 6.103) were as follows, with 166 consultees providing comments with their answers.



Part 1 of Consultation Question 26 (para 6.103)

	Yes	No	Other	Total
Leaseholders and representative bodies	107	5	29	141
Commercial investors	12	3	2	17
Social housing sector	0	0	1	1
Charitable sector	0	1	0	1
Legal professionals	34	3	7	44
Surveyors	9	0	4	13
Other professionals	4	1	0	5
Other consultees	67	2	10	79
Grand Total	233	15	53	301

- (2) The statistics for the second part (para 6.104) were as follows, with 133 consultees providing comments with their answers.

**Part 2 of Consultation Question 26 (para 6.104)**

	Yes	No	Other	Total
Leaseholders and representative bodies	97	6	28	131
Commercial investors	9	6	0	15
Social housing sector	0	0	1	1
Charitable sector	0	1	0	1
Legal professionals	32	5	3	40
Surveyors	6	5	0	11
Other professionals	3	1	0	4
Other consultees	61	2	11	74
Grand Total	208	26	43	277

Consultation Question 27

Consultation Question 27.

6.107 We provisionally propose that, on a collective freehold acquisition:

- (1) any mortgage secured against the freehold title should automatically be discharged upon execution of the transfer; but
- (2) the nominee purchaser should be under a duty to pay:
 - (a) the whole of the price, or
 - (b) (if less) the sum outstanding under the mortgage,to the mortgagee or, alternatively, into court; and
- (3) any sums due from the nominee purchaser to the landlord should be reduced by any sums paid under (2) above.

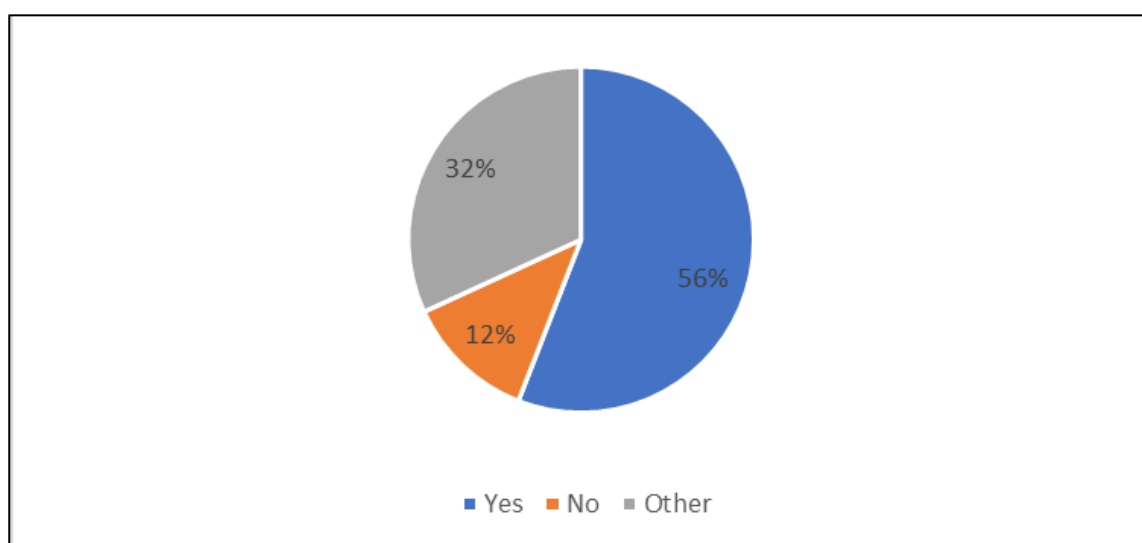
Do consultees agree?

6.108 We also provisionally propose that on a collective freehold acquisition – save in the case of estate rentcharges imposed to secure positive covenants – a landlord should be under a duty to use his or her best endeavours to redeem any rentcharge.

Do consultees agree?

1.47 Consultation Question 27 (paras 6.107 to 6.108) was a two-part question.

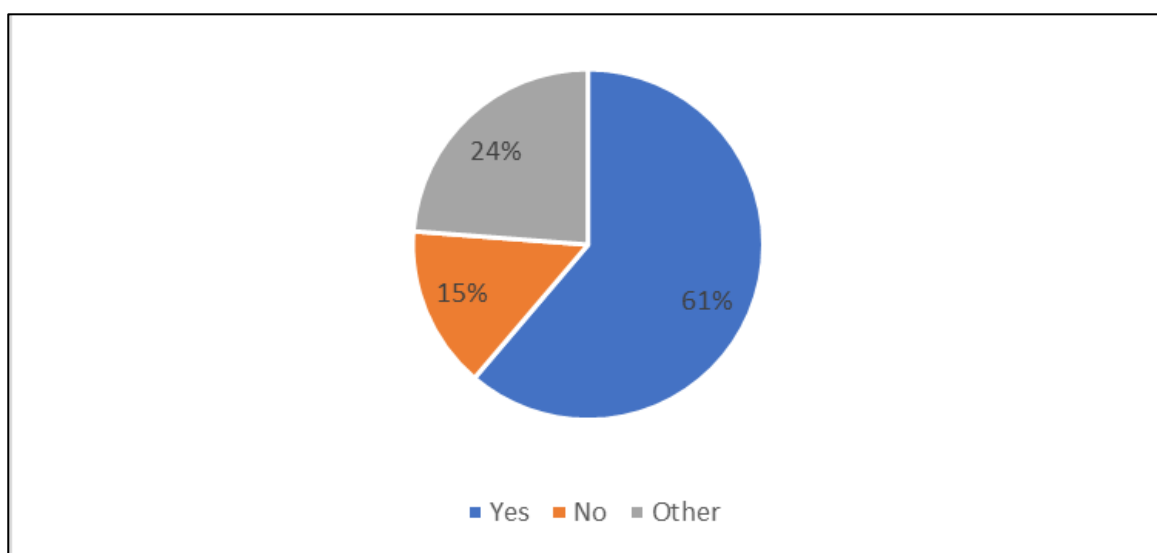
- (1) The statistics in respect of the first part (para 6.107) were as follows, with 174 consultees providing comments with their answers.



Part 1 of Consultation Question 27 (para 6.107)

	Yes	No	Other	Total
Leaseholders and representative bodies	57	12	48	117
Commercial investors	9	5	2	16
Social housing sector	1	0	0	1
Charitable sector	0	0	1	1
Legal professionals	16	4	10	30
Surveyors	6	4	1	11
Other professionals	3	0	0	3
Other consultees	45	5	16	66
Grand Total	137	30	78	245

- (2) The statistics in respect of the second part (para 6.108) were as follows, with 139 consultees providing comments with their answers.

**Part 2 of Consultation Question 27 (para 6.108)**

	Yes	No	Other	Total
Leaseholders and representative bodies	55	13	35	103
Commercial investors	6	5	2	13
Social housing sector	1	0	0	1
Legal professionals	21	8	3	32
Surveyors	5	1	3	9
Other professionals	3	1	0	4
Other consultees	48	6	11	65
Grand Total	139	34	54	227

Consultation Question 28

Consultation Question 28.

6.117 We provisionally propose that, where a nominee purchaser making a collective freehold acquisition claim is to acquire the whole of the landlord's freehold interest, any rights and obligations that are not ordinarily discharged upon payment of the purchase price should be continued automatically.

Do consultees agree? What do consultees consider would be the best statutory means by which this could be achieved?

6.118 We provisionally propose that, where a nominee purchaser making a collective freehold acquisition claim is to acquire the whole of the landlord's freehold interest, the parties should only be able to adopt additional covenants if those covenants are drawn from a list of prescribed covenants.

Do consultees agree? Which covenants do consultees consider should be included within such a prescribed list?

1.48 Consultation Question 28 (paras 6.117 to 6.118) was a two-part question.

- (1) 201 consultees responded to the first part (para 6.117).
- (2) 193 consultees responded to the second part (para 6.118).

Consultation Question 29

Consultation Question 29.

6.124 We invite the views of consultees as to whether, on a collective freehold acquisition claim where the leaseholders' existing leases contain rights and obligations in respect of land that is to be retained by the landlord, the nominee purchaser should (where there is no current estate management scheme in place) acquire the freehold subject to terms in respect of the retained land that:

- (1) reflect the rights and obligations set out in the leaseholders' existing leases; or
- (2) appear within a prescribed list of appropriate covenants.

6.125 We invite the views of consultees as to the types of term that should be included within such a prescribed list.

1.49 Consultation Question 29 (paras 6.124 to 6.125) was a two-part question.

- (1) 220 consultees responded to the first part (para 6.124).
- (2) 136 consultees responded to the second part (para 6.125).

Consultation Question 30

Consultation Question 30.

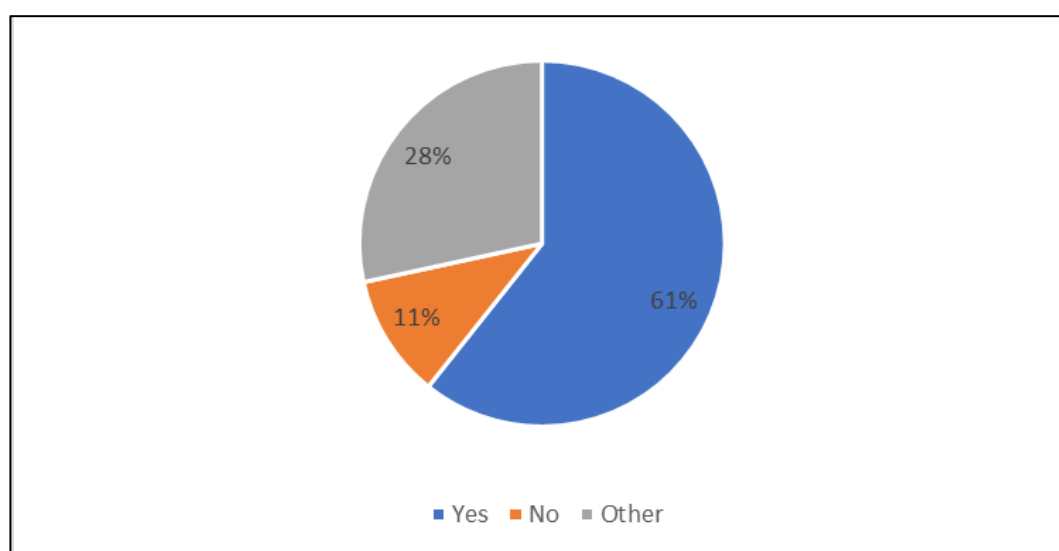
6.127 We provisionally propose that, on a collective freehold acquisition claim where the leaseholders' existing leases do not contain rights and obligations in respect of land that is to be retained by the landlord, the nominee purchaser should (where there is no current estate management scheme in place) acquire the freehold subject to terms in respect of the retained land that appear within a prescribed list of appropriate covenants.

Do consultees agree?

6.128 We invite the views of consultees as to the types of terms that should be included within such a prescribed list.

1.50 Consultation Question 30 (paras 6.127 to 6.128) was a two-part question.

- (1) In respect of the first part (para 6.127), the statistics were as follows (with 154 consultees providing comments with their answers).



Part 1 of Consultation Question 30 (para 6.127)

	Yes	No	Other	Total
Leaseholders and representative bodies	57	5	46	108
Commercial investors	7	5	1	13
Social housing sector	1	0	0	1
Charitable sector	0	1	0	1
Legal professionals	19	10	4	33
Surveyors	8	0	1	9
Other professionals	2	1	0	3
Other consultees	45	3	13	61
Grand Total	139	25	65	229

- (2) 118 consultees responded to the second part of Consultation Question 30 (para 6.128).

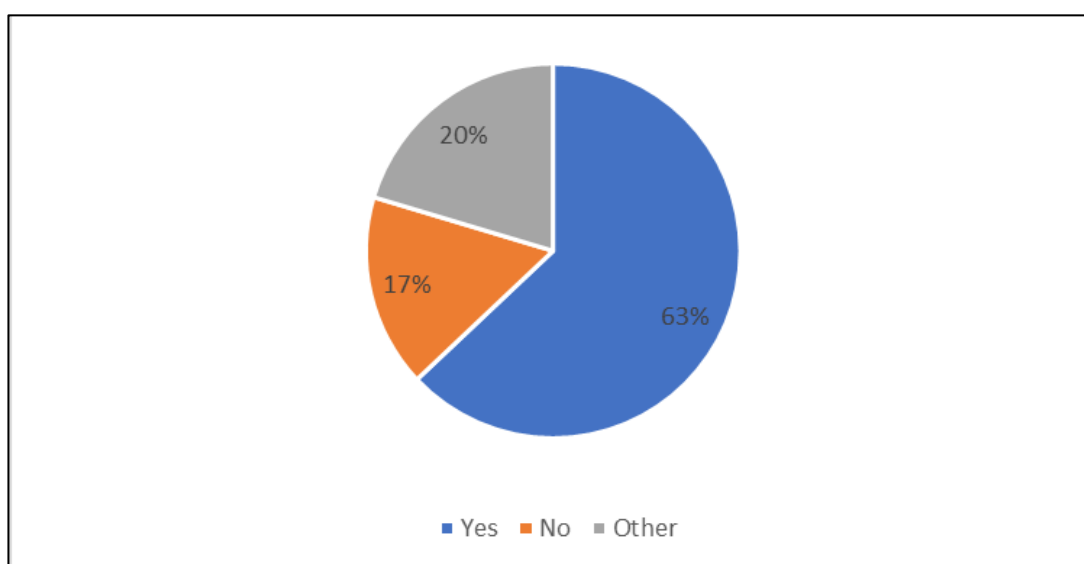
Consultation Question 31

Consultation Question 31.

6.132 We provisionally propose to introduce a new power for leaseholders exercising the right of collective freehold acquisition to insist, if they so choose, that the freeholder take a leaseback or leasebacks of all parts of the premises (other than common parts) which are not let to participating leaseholders.

Do consultees agree?

- 1.51 The statistics for Consultation Question 31 (para 6.132) were as follows, with 229 consultees providing comments with their answers.



Consultation Question 31 (para 6.132)				
	Yes	No	Other	Total
Leaseholders and representative bodies	89	14	41	144
Commercial investors	7	14	1	22
Social housing sector	1	2	0	3
Charitable sector	0	2	0	2
Legal professionals	26	10	10	46
Surveyors	6	4	1	11
Other professionals	4	0	0	4
Other consultees	71	8	13	92
Grand Total	204	54	66	324

Consultation Question 32

Consultation Question 32.

6.138 We provisionally propose that, where premises have been the subject of a collective freehold acquisition claim, the leaseholders in those premises should be prohibited from making a further collective freehold acquisition claim in respect of the same premises for a set period.

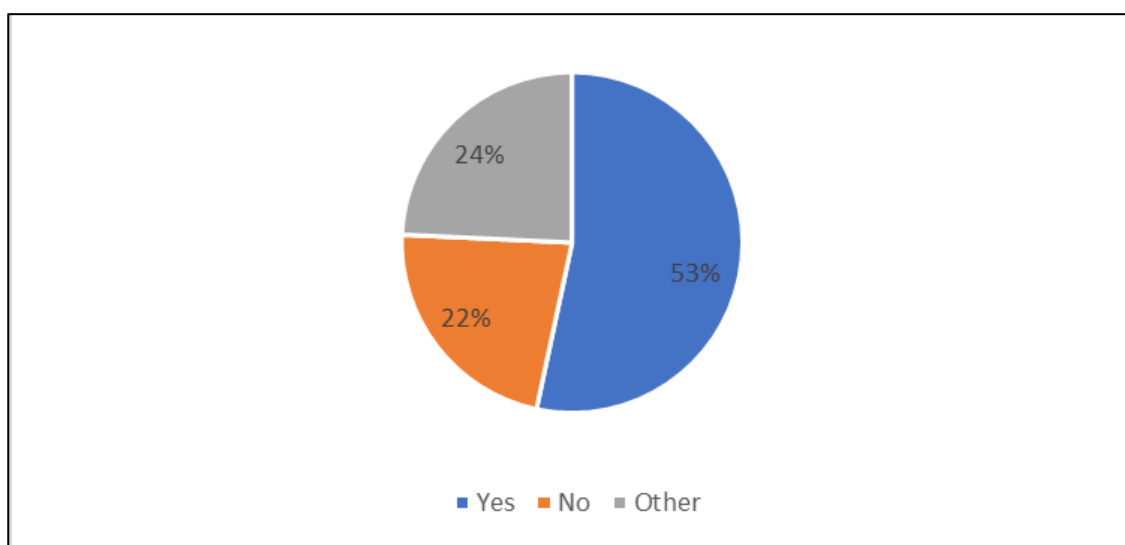
Do consultees agree?

6.139 We provisionally propose that five years would be an appropriate duration for such a prohibition.

Do consultees agree?

1.52 Consultation Question 32 (paras 6.138 to 6.139) was a two-part question.

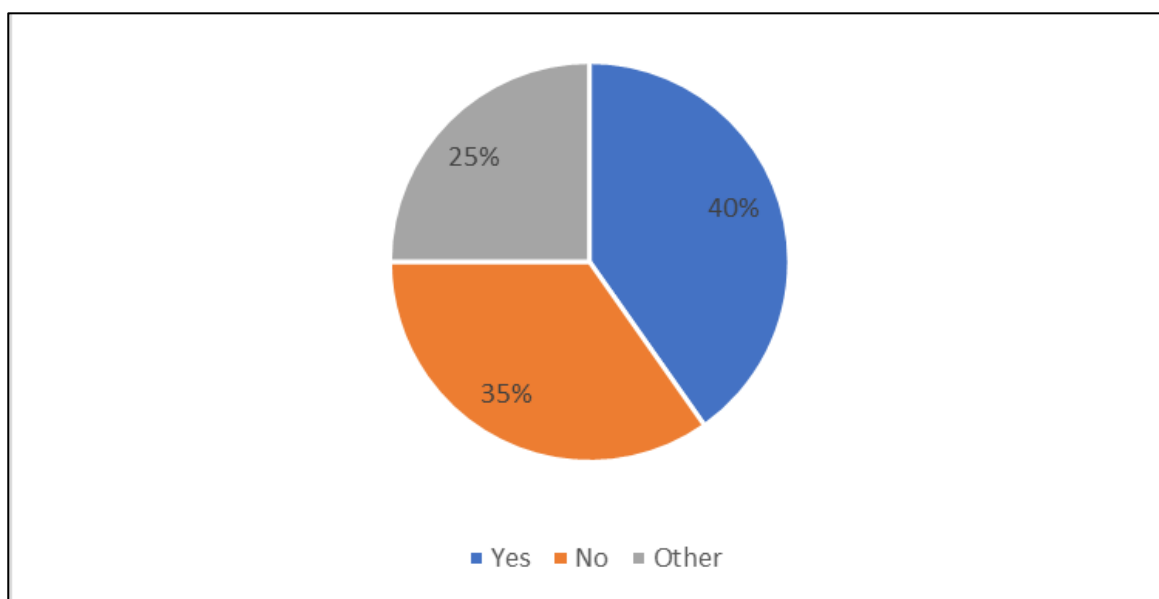
- (1) The statistics regarding the first part (para 6.138) were as follows (with 187 consultees providing comments with their answers).



Part 1 of Consultation Question 32 (para 6.138)

	Yes	No	Other	Total
Leaseholders and representative bodies	47	35	44	126
Commercial investors	12	2	1	15
Social housing sector	1	0	0	1
Charitable sector	1	0	0	1
Legal professionals	31	6	4	41
Surveyors	6	2	4	12
Other professionals	4	0	0	4
Other consultees	41	15	12	68
Grand Total	143	60	65	268

- (2) The statistics for the second part (para 6.139) were as follows (with 165 consultees providing comments with their answers).



Part 2 of Consultation Question 32 (para 6.139)

	Yes	No	Other	Total
Leaseholders and representative bodies	32	49	40	121
Commercial investors	9	4	2	15
Social housing sector	1	0	0	1
Charitable sector	0	1	0	1
Legal professionals	23	10	7	40
Surveyors	4	4	3	11
Other professionals	3	1	0	4
Other consultees	31	20	12	63
Grand Total	103	89	64	256

Consultation Question 33

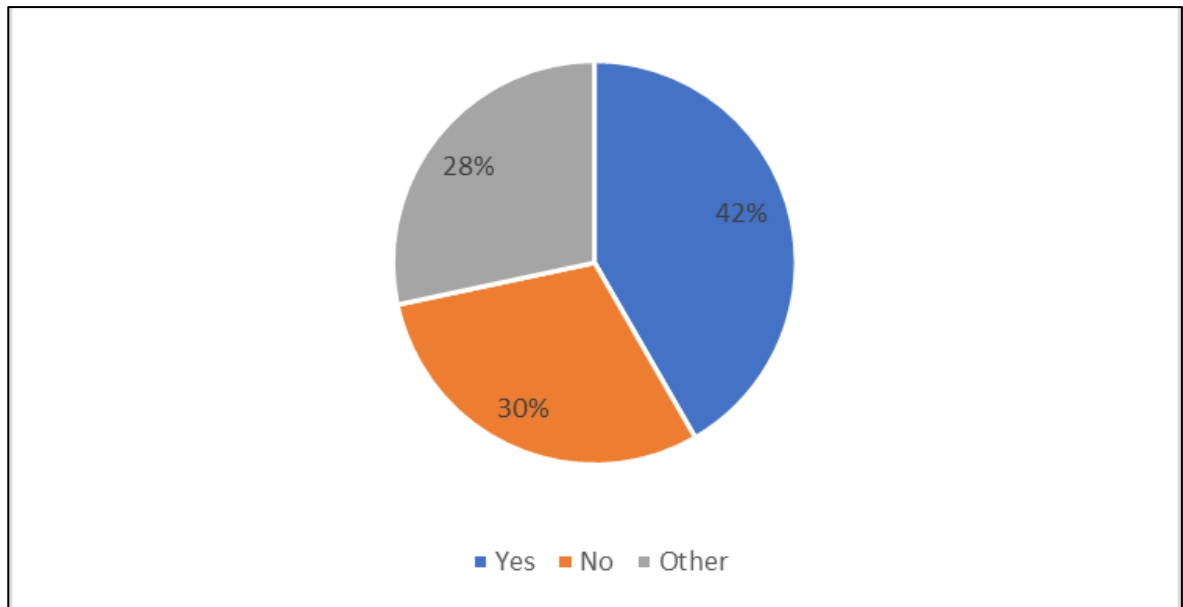
Consultation Question 33.

6.142 Do consultees believe that the ability of parties to enter into a transfer of the freehold of a block of flats outside the 1993 Act creates significant problems in practice?

6.143 What steps, if any, do consultees believe could be taken to control or limit the use or impact of parties entering into a freehold transfer to a group of leaseholders outside of a new statutory enfranchisement regime?

1.53 Consultation Question 33 (paras 6.142 to 6.143) was a two-part question.

- (1) In respect of the first part of the question (para 6.142), the statistics were as follows, with 191 consultees providing comments with their answers.



Part 1 of Consultation Question 33 (para 6.142)

	Yes	No	Other	Total
Leaseholders and representative bodies	60	10	43	113
Commercial investors	0	13	1	14
Social housing sector	0	1	0	1
Legal professionals	6	27	6	39
Surveyors	2	8	1	11
Other professionals	2	1	1	4
Other consultees	30	12	16	58
Grand Total	100	72	68	240

- (2) 176 consultees answered the second part of Consultation Question 33 (para 6.143).

Consultation Question 34

Consultation Question 34.

6.157 We provisionally propose a new right to participate: the right for leaseholders who did not participate in a prior collective freehold acquisition claim, or who did not qualify for the right at the time of the prior claim, subsequently to purchase a share of the freehold interest held by those who did participate.

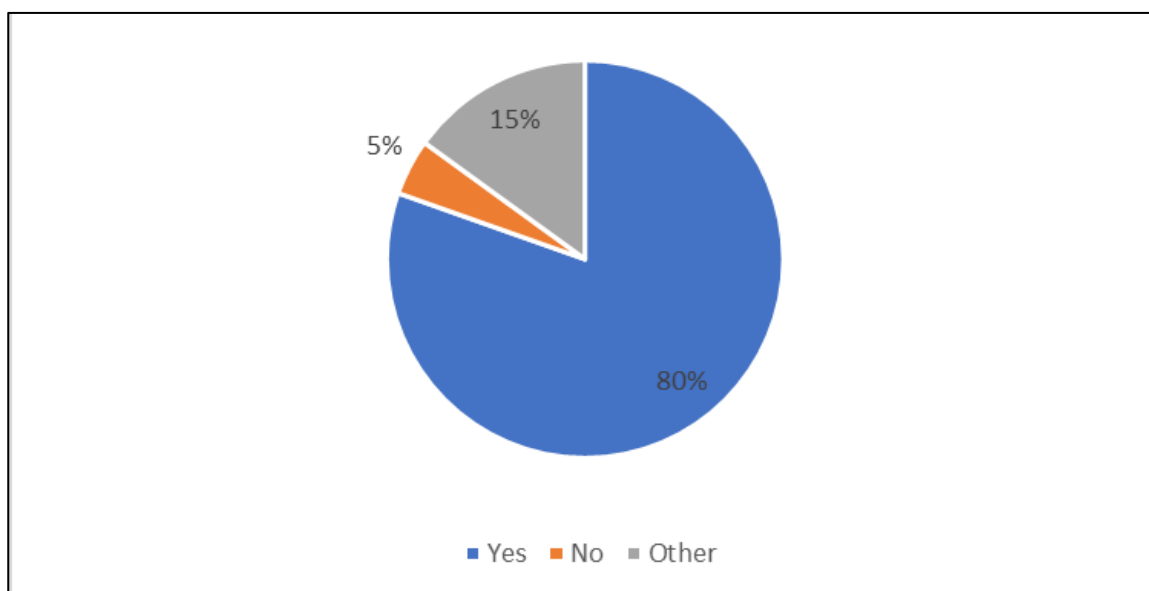
Do consultees agree?

6.158 Do consultees consider that the right to participate should be available only in respect of collective freehold acquisition claims completed in the future, or also in respect of collective enfranchisement claims that completed before commencement of the new regime?

6.159 We have identified at paragraph 6.156 a number of issues which will need to be addressed in order for the right to participate to operate successfully. We invite consultees to share with us their views on how these issues might be resolved, and to tell us of any further difficulties they foresee with the operation of the proposed right.

1.54 Consultation Question 34 (paras 6.157 to 6.159) was a three-part question.

- (1) The statistics for the first part of the question (para 6.157) were as follows, with 185 consultees providing comments with their answers.



Part 1 of Consultation Question 34 (para 6.157)				
	Yes	No	Other	Total
Leaseholders and representative bodies	119	2	27	148
Commercial investors	16	2	1	19
Social housing sector	2	0	0	2
Legal professionals	25	9	9	43
Surveyors	11	0	1	12
Other professionals	4	0	1	5
Other consultees	69	1	7	77
Grand Total	246	14	46	306

(2) 211 consultees answered the second part (para 6.158).

(3) 162 consultees answered the third part (para 6.159).

Consultation Question 35

Consultation Question 35.

6.160 We welcome evidence as to the costs and benefits of requiring leaseholders pursuing a collective freehold acquisition claim to:

- (1) use a company limited by guarantee as the nominee purchaser;
- (2) comply with the applicable rules of company law; and
- (3) use a set of partly-prescribed articles of association for the company limited by guarantee.

1.55 195 consultees answered Consultation Question 35 (para 6.160).

Consultation Question 36

Consultation Question 36.

6.161 To what extent does the current ability of parties negotiating the terms of a collective enfranchisement to agree the terms of the freehold transfer without restriction:

- (1) increase the duration and cost of the enfranchisement process;
- (2) increase the potential for disputes; and
- (3) lead to future difficulties (financial or otherwise) resulting from the inclusion of unusual terms within the freehold transfer?

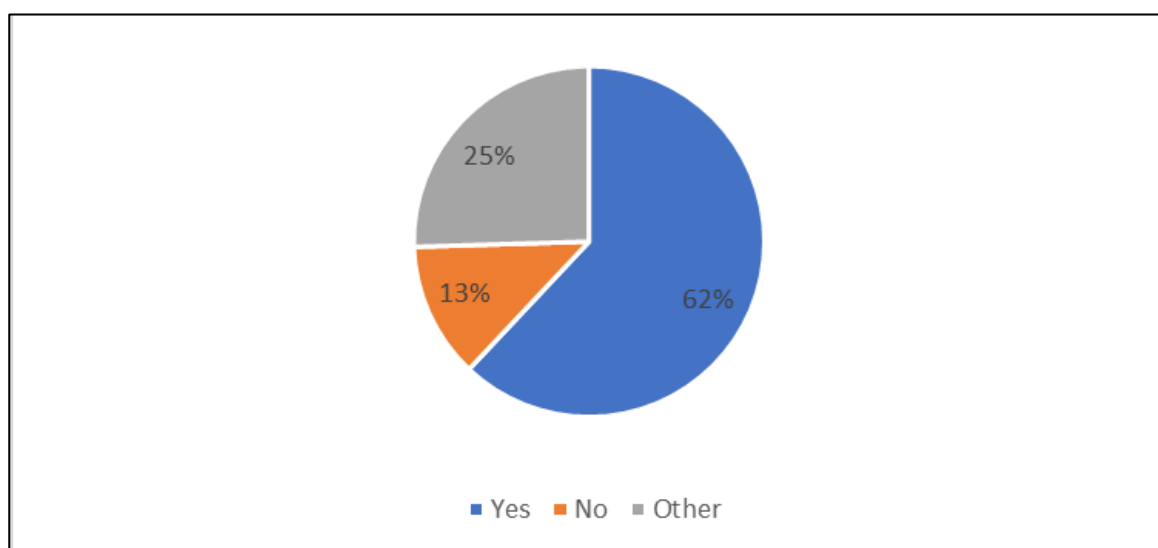
6.162 To what extent would limitations on the ability of parties to include new rights and obligations in a freehold transfer to a nominee purchaser:

- (1) reduce the time and cost involved in acquiring the freehold collectively;
- (2) reduce the potential for disputes; and
- (3) reduce future difficulties (financial or otherwise) resulting from the inclusion of unusual terms within the freehold transfer?

6.163 Would this reform result in a higher proportion of leaseholders seeking to exercise the right of collective freehold acquisition?

1.56 Consultation Question 36 (paras 6.161 to 6.163) was a three-part question.

- (1) 197 consultees answered the first part (para 6.161).
- (2) 181 consultees answered the second part (para 6.162).
- (3) The statistics for the third part of Consultation Question 36 (para 6.163) were as follows, with 150 consultees providing comments with their answers.



Part 3 of Consultation Question 36 (para 6.163)				
	Yes	No	Other	Total
Leaseholders and representative bodies	73	3	29	105
Commercial investors	2	5	2	9
Social housing sector	0	1	0	1
Legal professionals	4	10	8	22
Surveyors	4	4	1	9
Other professionals	2	1	0	3
Other consultees	44	2	13	59
Grand Total	129	26	53	208

Consultation Question 37

Consultation Question 37.

6.164 To what extent would our proposed new ability for leaseholders exercising the right of collective freehold acquisition to require the freeholder to take leasebacks of all parts of the premises (other than common parts) which are not let to participating leaseholders make collective freehold acquisition more affordable? Would this reform result in a higher proportion of leaseholders seeking to exercise the right of collective freehold acquisition?

1.57 247 consultees answered Consultation Question 37 (para 6.164).

Chapter 7

1.58 There were no consultation questions in Chapter 7.

Chapter 8

Consultation Question 38

Consultation Question 38.

8.57 We provisionally propose to replace the language of “houses” and “flats” with the new concept of a “residential unit”.

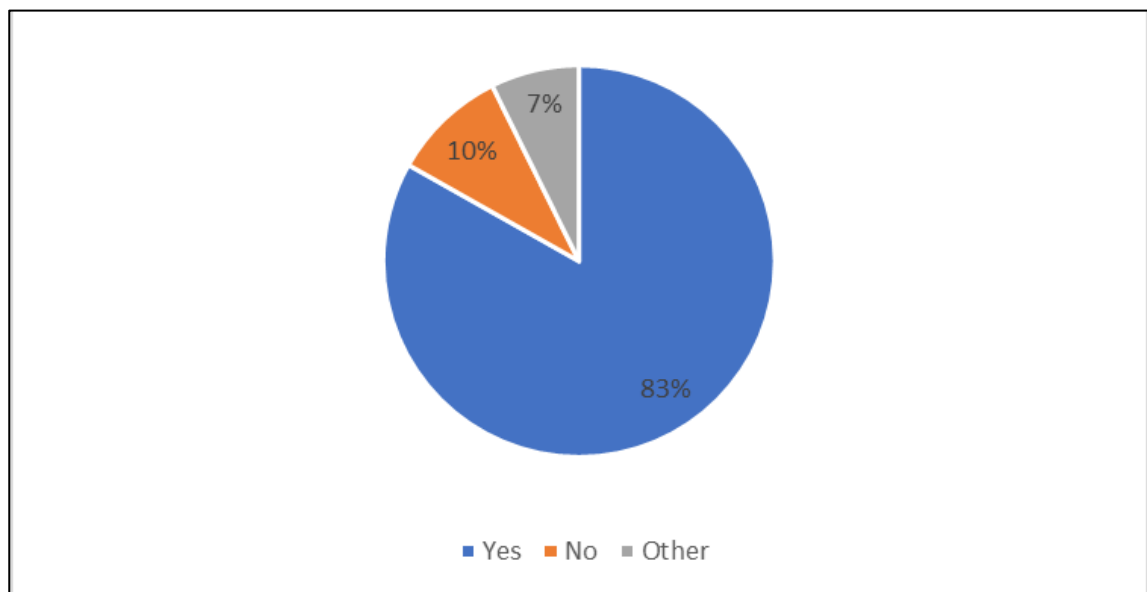
Do consultees agree?

8.58 Do consultees think that our proposed definition of a “residential unit”, set out at paragraphs 8.37 to 8.56, will work successfully in practice?

8.59 We provisionally propose to exclude business leases from enfranchisement rights. Do consultees agree? If so, do consultees agree that the best method of achieving this exclusion is by restricting enfranchisement rights to leases which permit residential use?

1.59 Consultation Question 38 (paras 8.57 to 8.59) was a three-part question.

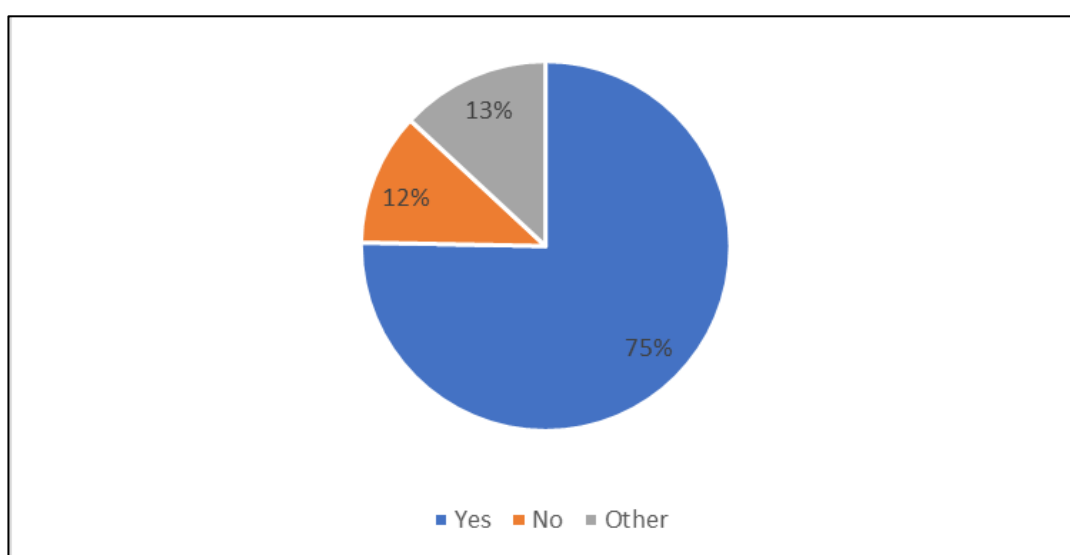
- (1) The statistics for the first part (para 8.57) were as follows, with 238 consultees providing comments with their answers.



Part 1 of Consultation Question 38 (para 8.57)

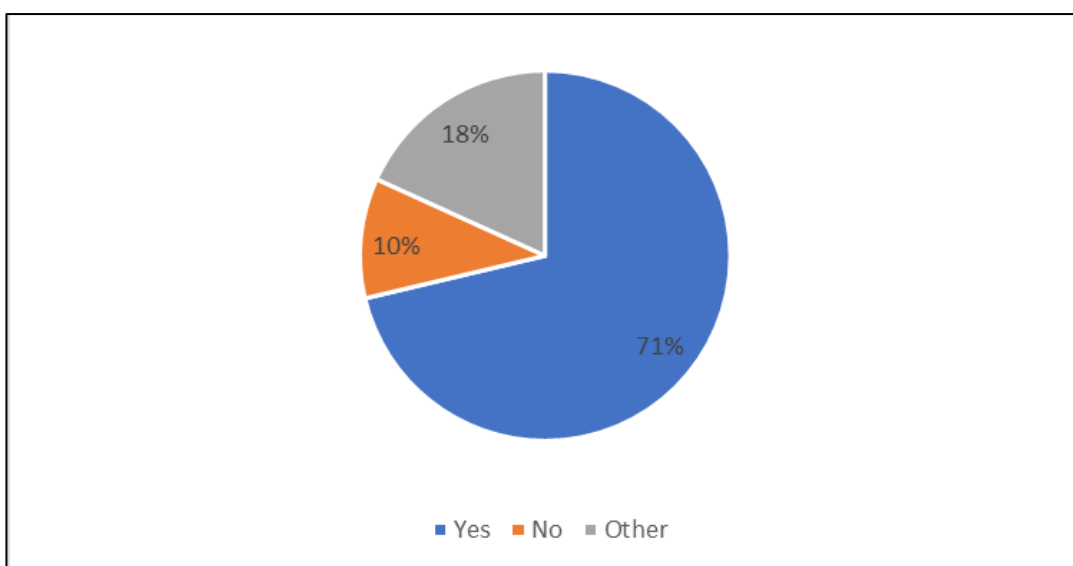
	Yes	No	Other	Total
Leaseholders and representative bodies	168	17	16	201
Commercial investors	12	4	2	18
Social housing sector	3	0	0	3
Charitable sector	1	0	0	1
Legal professionals	36	4	6	46
Surveyors	10	2	3	15
Other professionals	4	0	1	5
Other consultees	107	12	2	121
Grand Total	341	39	30	410

- (2) The statistics for the second part (para 8.58) were as follows, with 170 consultees providing comments with their answers.

**Part 2 of Consultation Question 38 (para 8.58)**

	Yes	No	Other	Total
Leaseholders and representative bodies	127	18	21	166
Commercial investors	9	7	1	17
Social housing sector	2	0	0	2
Charitable sector	0	1	0	1
Legal professionals	25	3	7	35
Surveyors	7	2	3	12
Other professionals	3	0	1	4
Other consultees	80	8	11	99
Grand Total	253	39	44	336

- (3) The statistics for the third part (para 8.59) were as follows, with 167 consultees providing comments with their answers.



Part 3 of Consultation Question 38 (para 8.59)

	Yes	No	Other	Total
Leaseholders and representative bodies	106	17	40	163
Commercial investors	11	1	3	15
Social housing sector	2	0	0	2
Charitable sector	1	0	0	1
Legal professionals	33	1	4	38
Surveyors	10	2	0	12
Other professionals	2	2	0	4
Other consultees	66	11	12	89
Grand Total	231	34	59	324

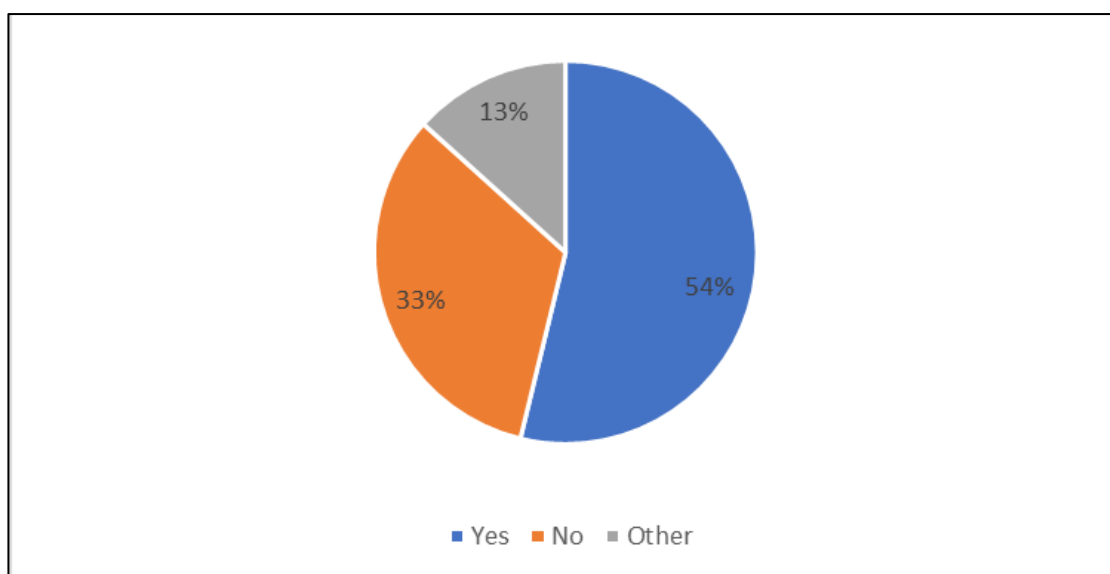
Consultation Question 39

Consultation Question 39.

8.67 We provisionally propose to maintain the requirement that, in general, a leaseholder must have a lease which exceeds 21 years in order to qualify for any enfranchisement rights.

Do consultees agree?

1.60 The statistics for Consultation Question 39 (para 8.67) were as follows, with 209 consultees providing comments with their answers.



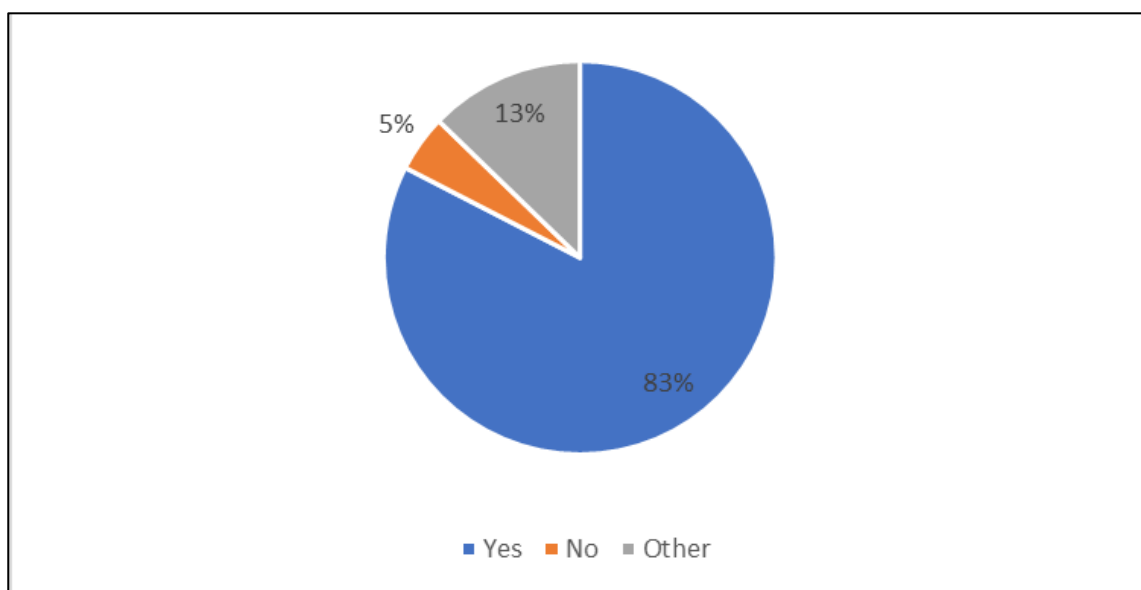
Consultation Question 39 (para 8.67)				
	Yes	No	Other	Total
Leaseholders and representative bodies	63	75	32	170
Commercial investors	17	2	0	19
Social housing sector	2	0	0	2
Charitable sector	3	0	0	3
Legal professionals	41	2	1	44
Surveyors	13	2	0	15
Other professionals	5	0	0	5
Other consultees	54	40	16	110
Grand Total	198	121	49	368

Consultation Question 40

Consultation Question 40.	
8.71	We provisionally propose maintaining the current legal position that separate, concurrent long leases between the same landlord and leaseholder may be treated as if they were a single long lease. Do consultees agree?
8.72	We provisionally propose maintaining the current legal position that renewals or statutory continuations of long leases are also to be treated as long leases. Further, we propose adopting (across the board) the 1967 Act's approach to consecutive long leases, in treating them as a single long lease. Do consultees agree?

1.61 Consultation Question 40 (paras 8.71 to 8.72) was a two-part question.

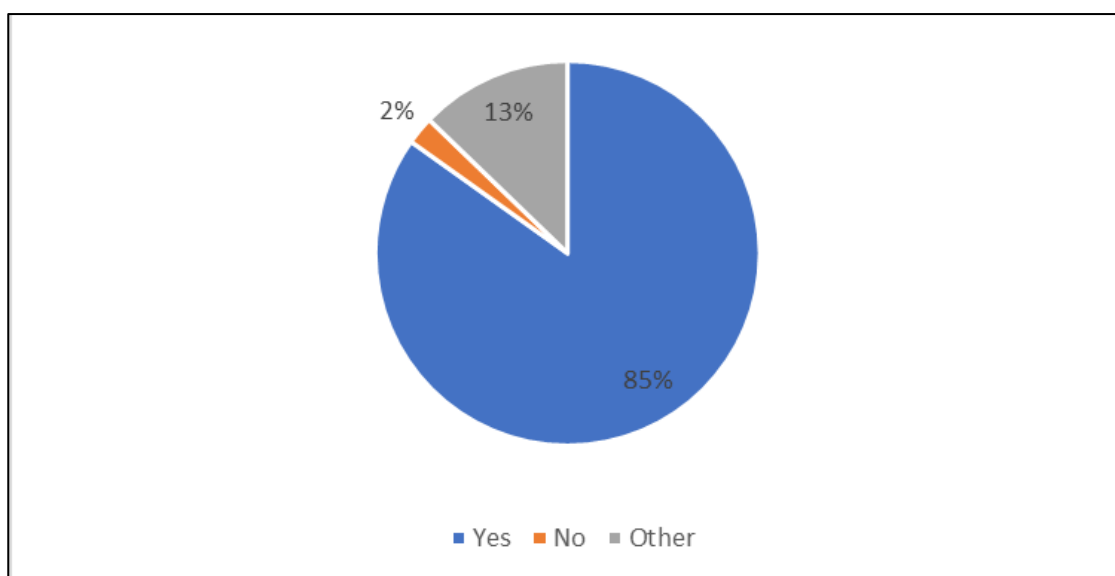
- (1) In respect of the first part (para 8.71), the statistics were as follows, with 108 consultees providing comments with their answers.



Part 1 of Consultation Question 40 (para 8.71)

	Yes	No	Other	Total
Leaseholders and representative bodies	115	7	29	151
Commercial investors	17	1	0	18
Social housing sector	2	0	0	2
Charitable sector	1	0	0	1
Legal professionals	42	0	2	44
Surveyors	8	3	1	12
Other professionals	4	0	0	4
Other consultees	76	4	9	89
Grand Total	265	15	41	321

- (2) In respect of the second part (para 8.72), the statistics were as follows, with 91 consultees providing comments with their answers.



Part 2 of Consultation Question 40 (para 8.72)

	Yes	No	Other	Total
Leaseholders and representative bodies	108	3	28	139
Commercial investors	15	1	0	16
Social housing sector	2	0	0	2
Legal professionals	39	0	3	42
Surveyors	12	0	0	12
Other professionals	4	0	0	4
Other consultees	72	3	7	82
Grand Total	252	7	38	297

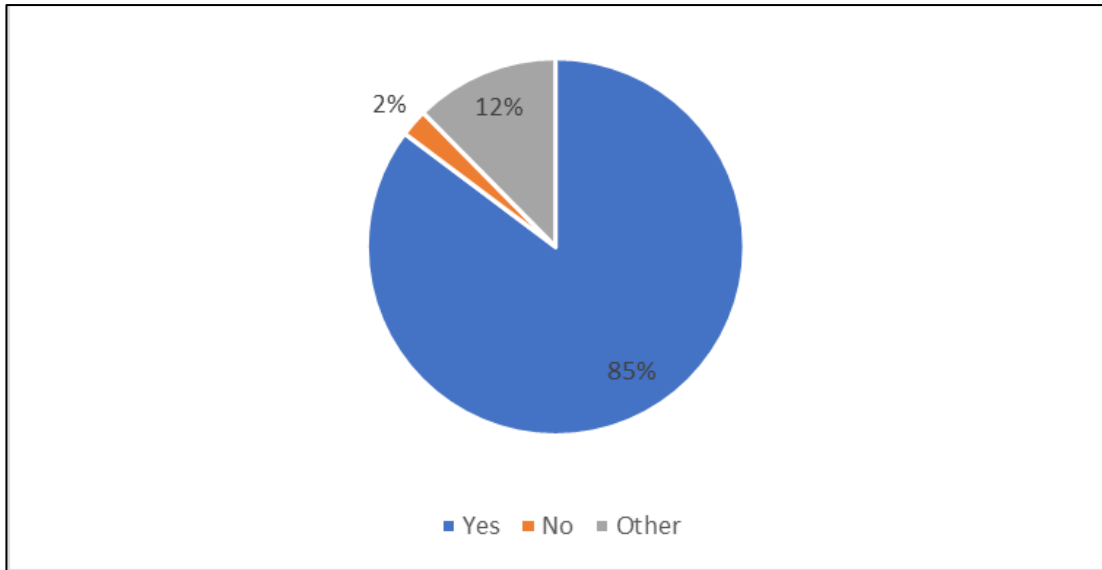
Consultation Question 41

Consultation Question 41.

8.74 We provisionally propose that all qualifying criteria for enfranchisement rights based on financial limits (both the low rent test and rateable values) be removed.

Do consultees agree?

1.62 The statistics for Consultation Question 41 (para 8.74) were as follows, with 144 consultees providing comments with their answers.

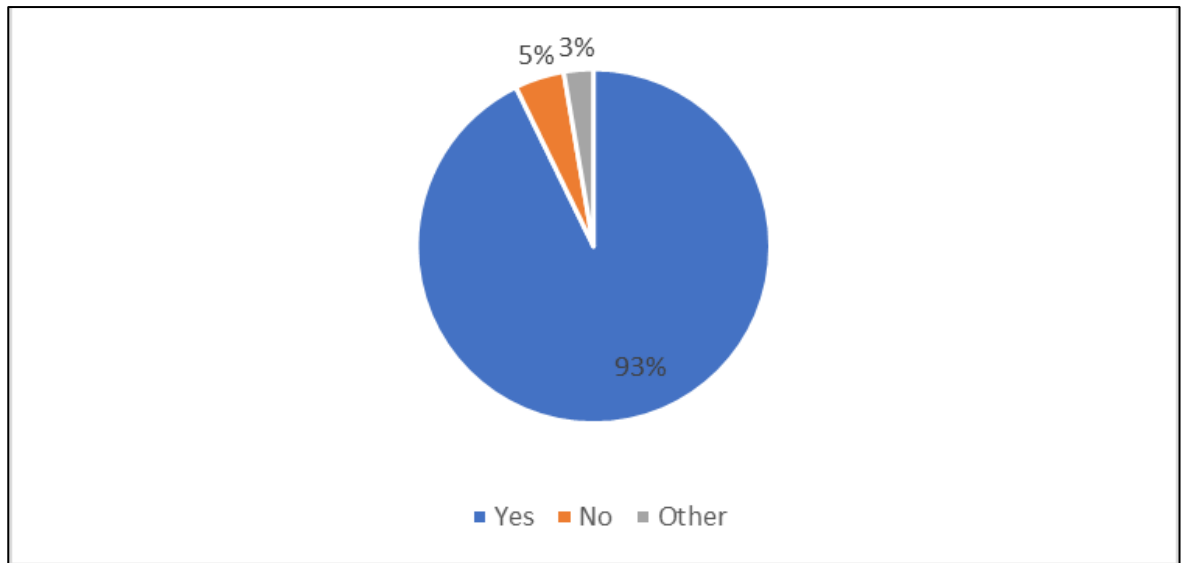


Consultation Question 41 (para 8.74)				
	Yes	No	Other	Total
Leaseholders and representative bodies	129	1	28	158
Commercial investors	17	2	0	19
Social housing sector	2	0	0	2
Charitable sector	1	0	0	1
Legal professionals	44	1	2	47
Surveyors	13	1	0	14
Other professionals	3	1	1	5
Other consultees	80	2	11	93
Grand Total	289	8	42	339

Consultation Question 42

Consultation Question 42.	
8.77	We provisionally propose that the requirement to own premises for two years before exercising enfranchisement rights in respect of those premises be abolished.
	Do consultees agree?

1.63 The statistics for Consultation Question 42 (para 8.77) were as follows, with 227 consultees providing comments with their answers.



Consultation Question 42 (para 8.77)				
	Yes	No	Other	Total
Leaseholders and representative bodies	206	4	4	214
Commercial investors	15	3	0	18
Social housing sector	2	1	0	3
Charitable sector	1	1	1	3
Legal professionals	45	3	1	49
Surveyors	12	0	4	16
Other professionals	4	1	0	5
Other consultees	125	7	2	134
Grand Total	410	20	12	442

Consultation Question 43

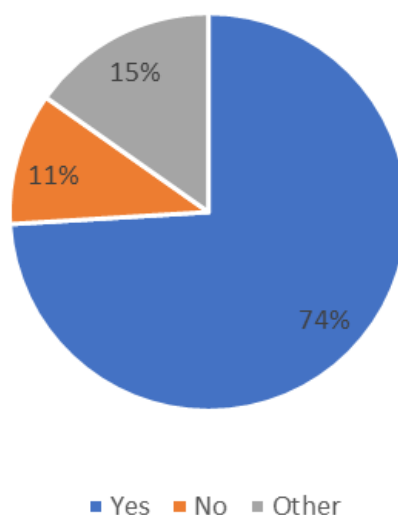
Consultation Question 43.

8.95 We provisionally propose that the right of individual freehold acquisition should be available where:

- (1) a leaseholder has a long lease over premises which include at least one residential unit which is not sublet to another person on a long lease;
- (2) there are no units in the building save for the unit(s) let to the leaseholder under his or her long lease; and
- (3) the premises let to the leaseholder comprise either:
 - (a) one unit; or
 - (b) more than one unit, but:
 - (i) none of those units are residential units that are sublet to another person under a long lease; and
 - (ii) the floor space of any non-residential units does not exceed 25% of the floor space of all the units combined.

Do consultees agree?

1.64 The statistics for Consultation Question 43 (para 8.95) were as follows, with 151 consultees providing comments with their answers.



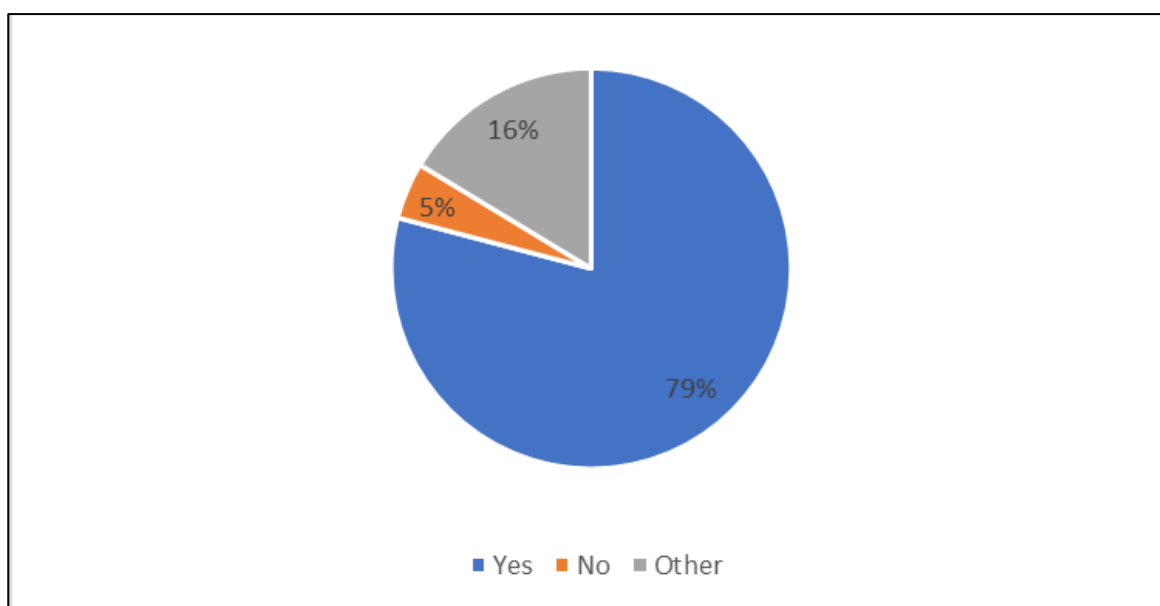
Consultation Question 43 (para 8.95)				
	Yes	No	Other	Total
Leaseholders and representative bodies	110	21	29	160
Commercial investors	17	1	2	20
Social housing sector	1	1	0	2
Charitable sector	0	1	0	1
Legal professionals	38	3	2	43
Surveyors	11	0	2	13
Other professionals	2	2	0	4
Other consultees	69	7	16	92
Grand Total	248	36	51	335

Consultation Question 44

<p>Consultation Question 44.</p> <p>8.104 We provisionally propose that the premises which may be the subject of a freehold acquisition claim (whether individual or collective) should be identified in line with the 1993 Act's definitions of "self-contained building" and "self-contained part of a building".</p> <p>Do consultees agree?</p> <p>8.105 We provisionally propose that, otherwise, the "building" in which a unit is contained can be defined simply as a built structure with a significant degree of permanence which can be said to change the physical character of the land.</p> <p>Do consultees agree?</p>	
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1.65 Consultation Question 44 (paras 8.104 to 8.105) was a two-part question.

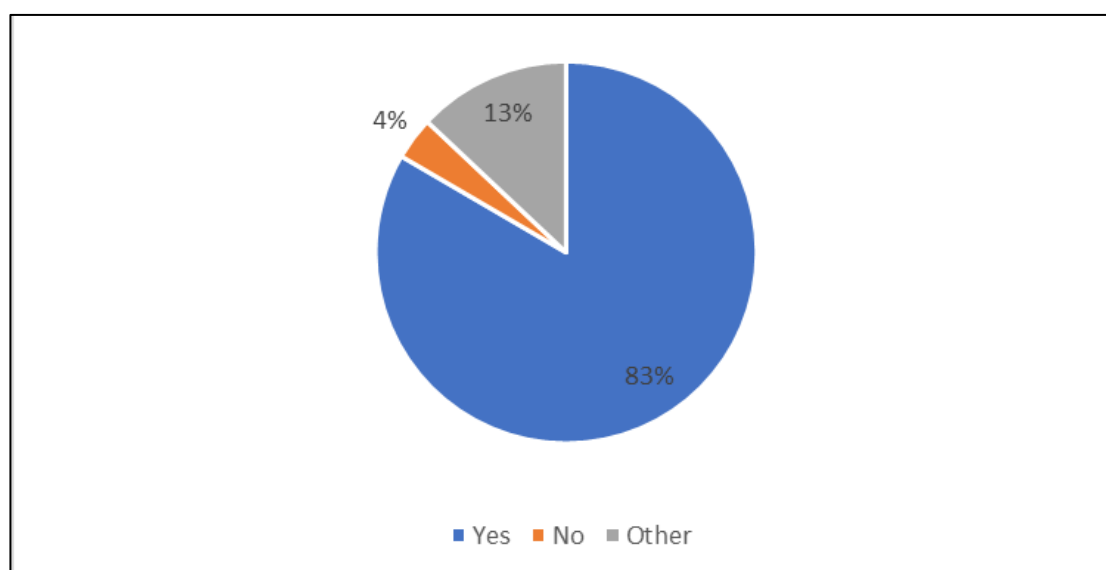
- (1) The statistics for the first part (para 8.104) were as follows, with 117 consultees providing comments with their answers.



Part 1 of Consultation Question 44 (para 8.104)

	Yes	No	Other	Total
Leaseholders and representative bodies	105	3	34	142
Commercial investors	17	2	0	19
Social housing sector	1	0	0	1
Charitable sector	2	0	0	2
Legal professionals	38	3	2	43
Surveyors	12	0	1	13
Other professionals	3	1	0	4
Other consultees	64	5	13	82
Grand Total	242	14	50	306

- (2) The statistics for the second part (para 8.105) were as follows, with 92 consultees providing comments with their answers.



Part 2 of Consultation Question 44 (para 8.105)				
	Yes	No	Other	Total
Leaseholders and representative bodies	107	0	23	130
Commercial investors	15	1	0	16
Social housing sector	1	0	0	1
Charitable sector	1	0	0	1
Legal professionals	30	7	0	37
Surveyors	11	0	1	12
Other professionals	5	0	0	5
Other consultees	61	2	12	75
Grand Total	231	10	36	277

Consultation Question 45

Consultation Question 45.

8.109 We invite consultees' views on the desirability and workability of creating a discretion for the Tribunal to authorise, in limited circumstances, a freehold acquisition (whether individual or collective) where this would not otherwise be possible because the building or part of building concerned is not, or might not be, self-contained.

1.66 224 consultees responded to Consultation Question 45 (para 8.109).

Consultation Question 46

Consultation Question 46.

8.119 We provisionally propose that it is appropriate to apply a maximum percentage limit on non-residential use to individual freehold acquisition claims concerning premises containing multiple units.

Do consultees agree?

8.120 We provisionally propose that that limit should be the same as that which applies to collective freehold acquisition claims.

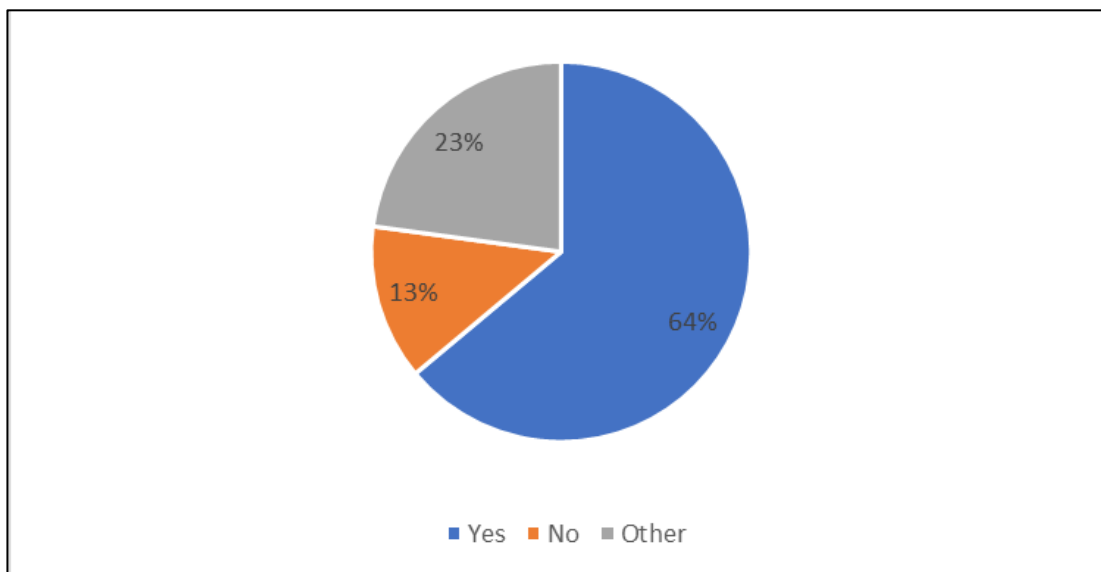
Do consultees agree?

8.121 We provisionally propose that the limit should be set at 25% of the internal floor space (excluding common parts).

Do consultees agree?

1.67 Consultation Question 46 (paras 8.119 to 8.121) was a three-part question.

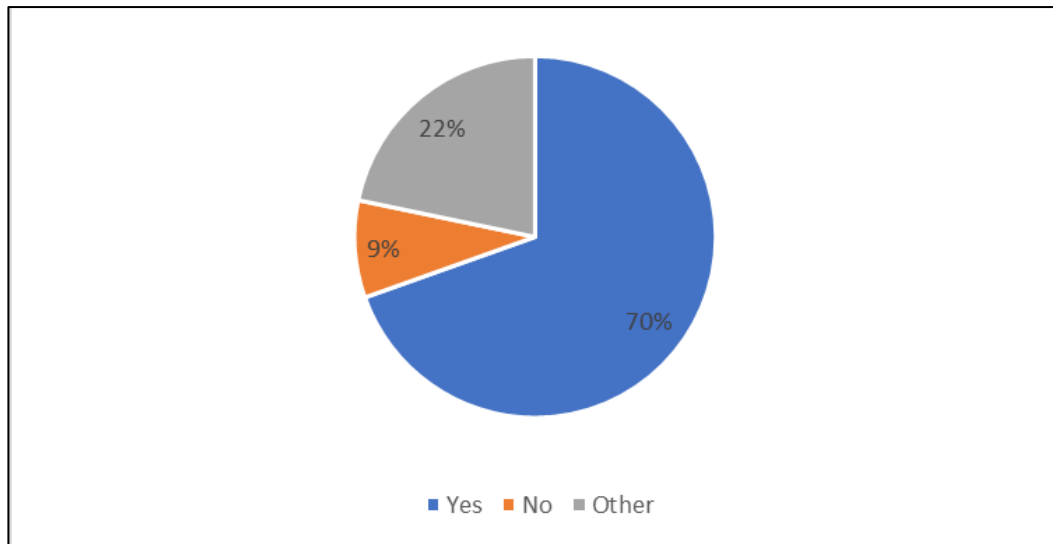
- (1) The statistics for the first part (para 8.119) were as follows, with 150 consultees providing comments with their answers.



Part 1 of Consultation Question 46 (para 8.119)

	Yes	No	Other	Total
Leaseholders and representative bodies	64	21	42	127
Commercial investors	17	0	0	17
Social housing sector	1	0	0	1
Charitable sector	1	1	0	2
Legal professionals	36	2	6	44
Surveyors	9	1	2	12
Other professionals	3	2	0	5
Other consultees	48	10	14	72
Grand Total	179	37	64	280

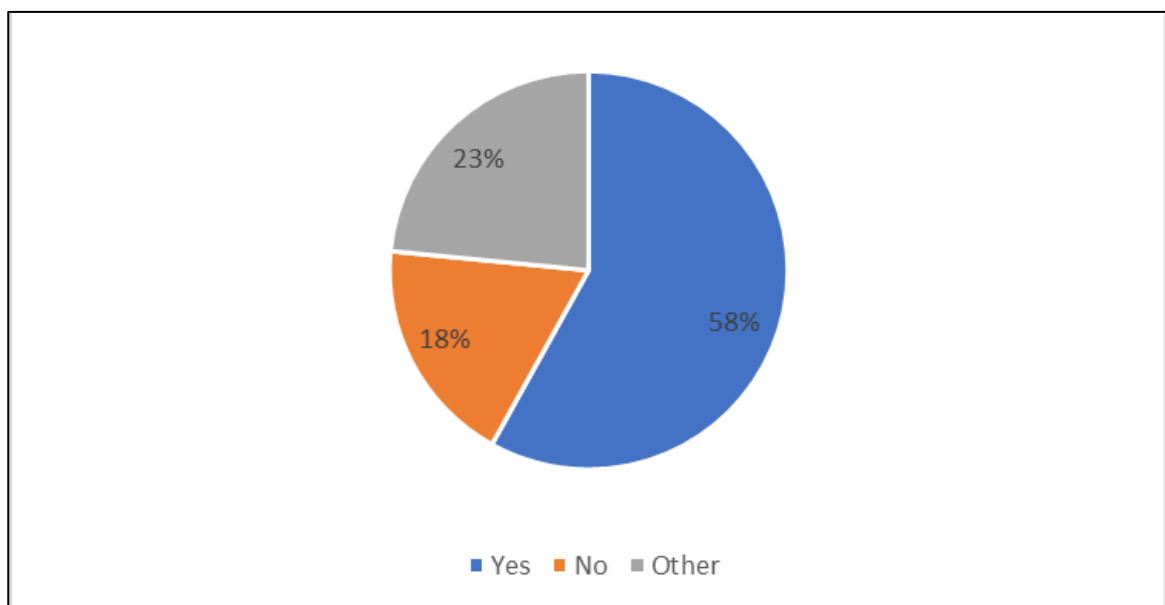
- (2) The statistics for the second part (para 8.120) were as follows, with 103 consultees providing comments with their answers.



Part 2 of Consultation Question 46 (para 8.120)

	Yes	No	Other	Total
Leaseholders and representative bodies	62	11	38	111
Commercial investors	17	0	0	17
Social housing sector	1	0	0	1
Charitable sector	1	0	0	1
Legal professionals	36	0	6	42
Surveyors	9	1	0	10
Other professionals	3	2	0	5
Other consultees	47	8	11	66
Grand Total	176	22	55	253

- (3) The statistics for the third part (para 8.121) were as follows, with 136 consultees providing comments with their answers.



Part 3 of Consultation Question 46 (para 8.121)				
	Yes	No	Other	Total
Leaseholders and representative bodies	51	29	40	120
Commercial investors	16	0	0	16
Social housing sector	1	0	0	1
Charitable sector	1	0	0	1
Legal professionals	34	2	7	43
Surveyors	10	1	0	11
Other professionals	2	3	0	5
Other consultees	36	13	14	63
Grand Total	151	48	61	260

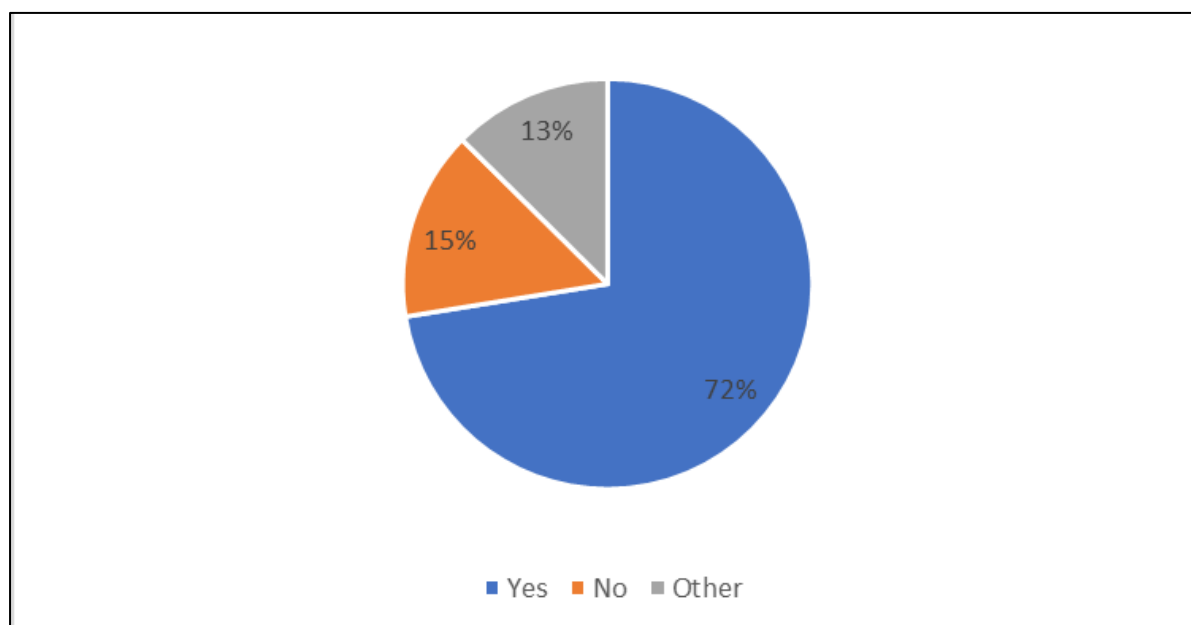
Consultation Question 47

Consultation Question 47.

8.134 We provisionally propose to maintain an equivalent of the current requirement that, for a collective enfranchisement, there must be a minimum of two or more flats held by qualifying tenants in the premises to be acquired.

Do consultees agree?

1.68 The statistics for Consultation Question 47 (para 8.134) were as follows, with 105 consultees providing comments with their answers.

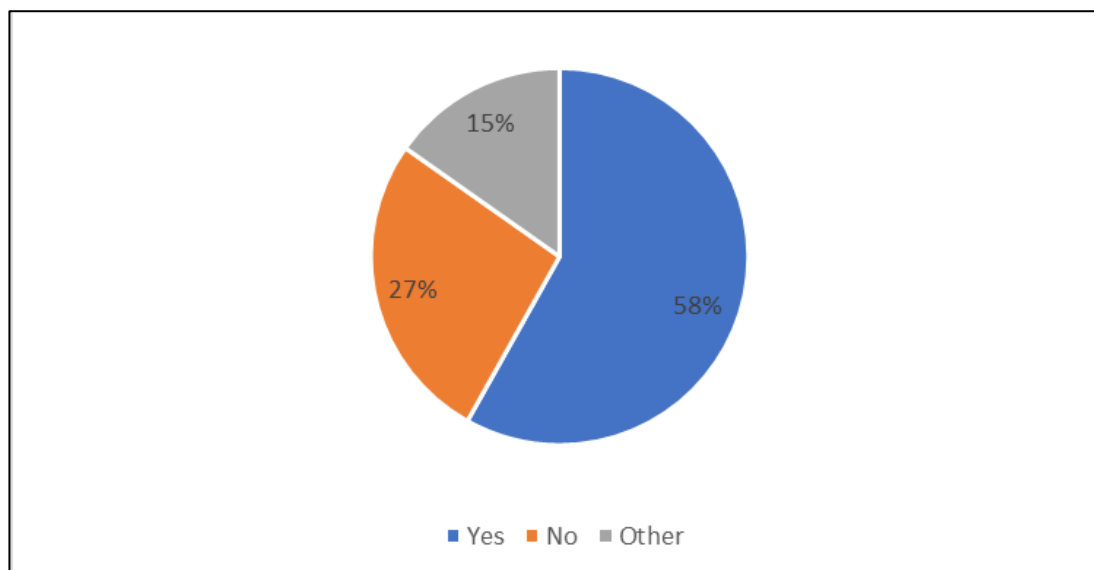


Consultation Question 47 (para 8.134)				
	Yes	No	Other	Total
Leaseholders and representative bodies	72	33	29	134
Commercial investors	19	0	0	19
Social housing sector	2	0	0	2
Charitable sector	2	0	0	2
Legal professionals	45	0	1	46
Surveyors	12	1	0	13
Other professionals	4	1	0	5
Other consultees	57	9	7	73
Grand Total	213	44	37	294

Consultation Question 48

<p>Consultation Question 48.</p> <p>8.142 We provisionally propose to maintain an equivalent of the current requirement that, for a collective enfranchisement, at least two-thirds of the flats in the premises to be acquired must be let on long leases.</p> <p>Do consultees agree?</p>
--

1.69 The statistics for consultation Question 48 (para 8.142) were as follows, with 139 consultees providing comments with their answers.



Consultation Question 48 (para 8.142)				
	Yes	No	Other	Total
Leaseholders and representative bodies	46	52	34	132
Commercial investors	18	0	0	18
Social housing sector	2	0	0	2
Charitable sector	2	0	0	2
Legal professionals	41	3	1	45
Surveyors	12	1	0	13
Other professionals	5	0	0	5
Other consultees	42	21	9	72
Grand Total	168	77	44	289

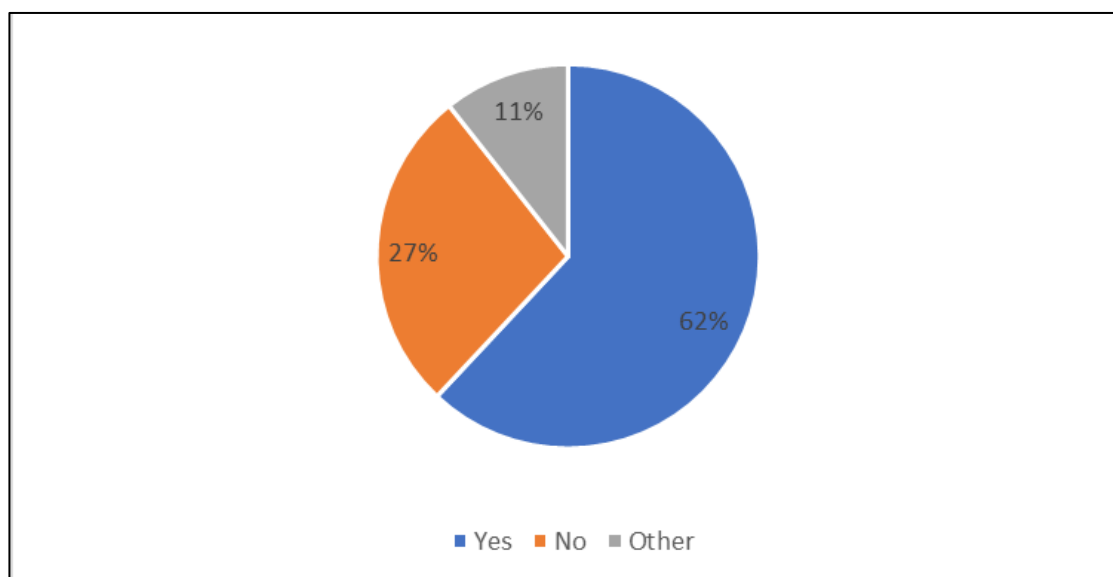
Consultation Question 49

Consultation Question 49.

8.144 We provisionally propose that the leaseholders of at least half of the total number of residential units in the premises to be acquired must participate in a collective freehold acquisition.

Do consultees agree?

1.70 The statistics for Consultation Question 49 (para 8.144) were as follows, with 155 consultees providing comments with their answers.



Consultation Question 49 (para 8.144)				
	Yes	No	Other	Total
Leaseholders and representative bodies	65	53	23	141
Commercial investors	14	4	0	18
Social housing sector	2	0	0	2
Charitable sector	2	0	0	2
Legal professionals	39	2	3	44
Surveyors	11	2	0	13
Other professionals	4	0	0	4
Other consultees	49	21	6	76
Grand Total	186	82	32	300

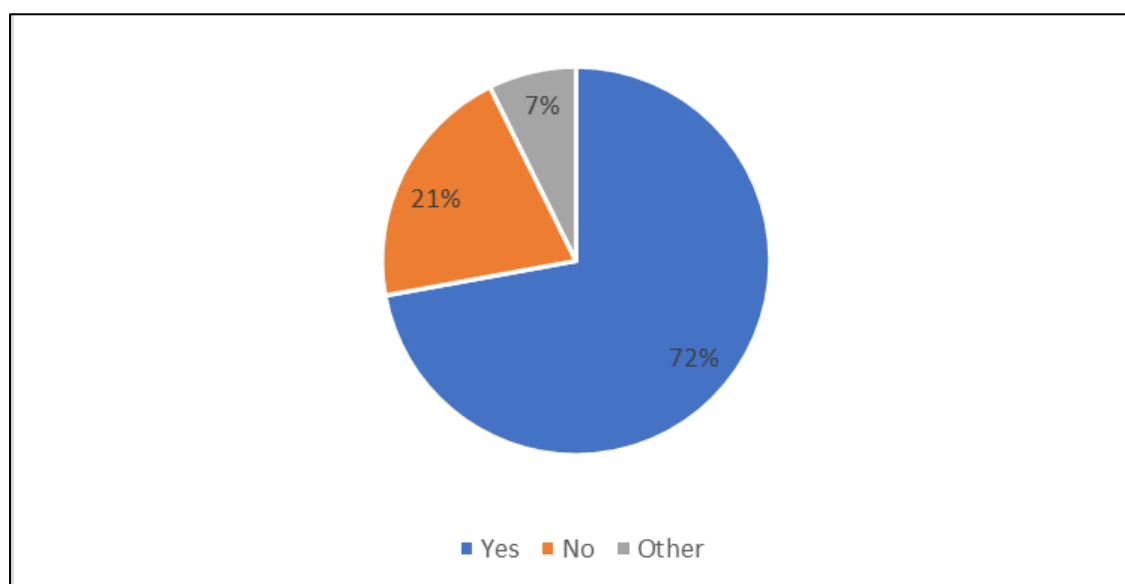
Consultation Question 50

Consultation Question 50.

8.147 We provisionally propose to remove the requirement that, in the case of a building containing only two residential units, both leaseholders must participate in a collective freehold acquisition claim.

Do consultees agree?

1.71 The statistics for Consultation Question 50 (para 8.147) were as follows, with 185 consultees providing comments with their answers.



Consultation Question 50 (para 8.147)				
	Yes	No	Other	Total
Leaseholders and representative bodies	131	14	18	163
Commercial investors	9	7	0	16
Social housing sector	1	1	1	3
Charitable sector	2	1	0	3
Legal professionals	20	25	0	45
Surveyors	5	8	0	13
Other professionals	2	2	1	5
Other consultees	76	12	5	93
Grand Total	246	70	25	341

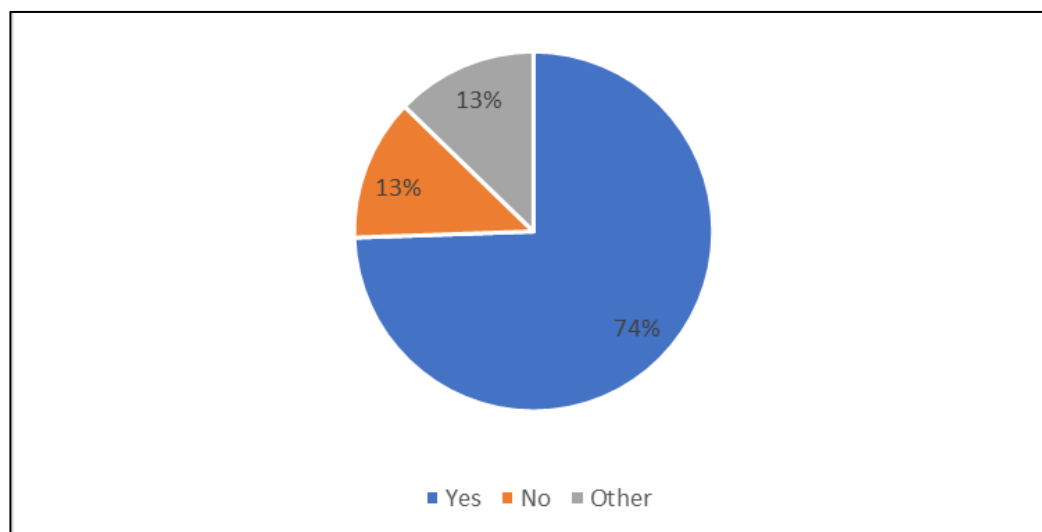
Consultation Question 51

Consultation Question 51.

8.149 We provisionally propose to remove the current prohibition on leaseholders of three or more flats in a building being qualifying tenants for the purposes of a collective enfranchisement claim.

Do consultees agree?

1.72 The statistics for Consultation Question 51 (para 8.149) were as follows, with 156 consultees providing comments with their answers.



Consultation Question 51 (para 8.149)				
	Yes	No	Other	Total
Leaseholders and representative bodies	115	8	27	150
Commercial investors	6	10	1	17
Social housing sector	1	1	0	2
Charitable sector	0	1	0	1
Legal professionals	24	15	3	42
Surveyors	10	2	0	12
Other professionals	3	1	0	4
Other consultees	80	3	10	93
Grand Total	239	41	41	321

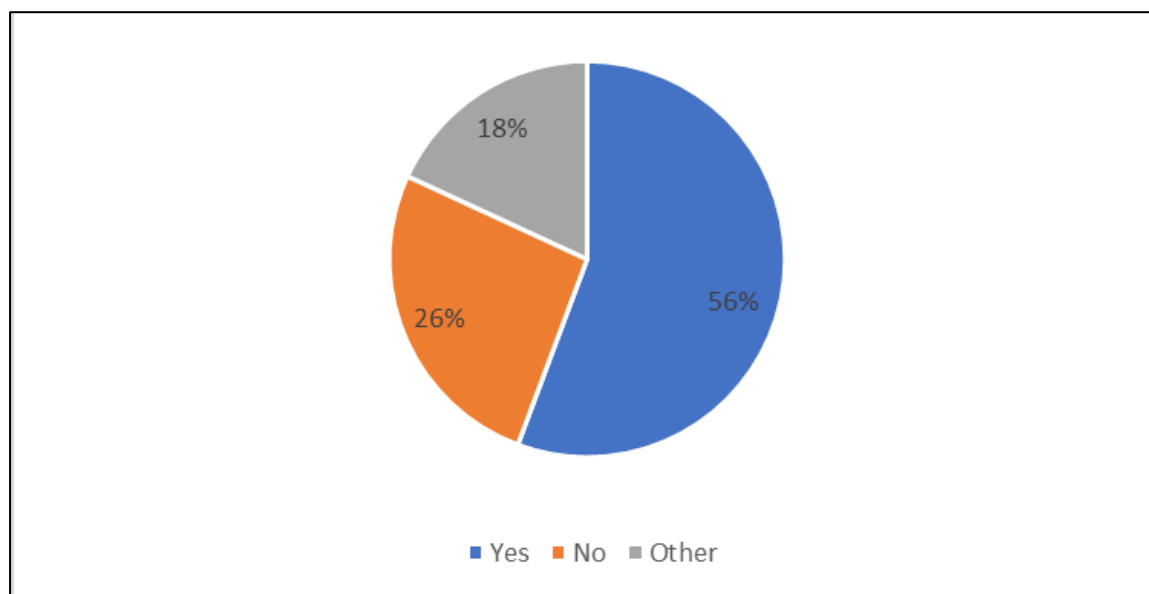
Consultation Question 52

Consultation Question 52.

8.153 We provisionally propose the continuation of the 25% limit on non-residential use in collective freehold acquisition claims.

Do consultees agree?

1.73 The statistics for Consultation Question 52 (para 8.153) were as follow, with 163 consultees providing comments with their answers.

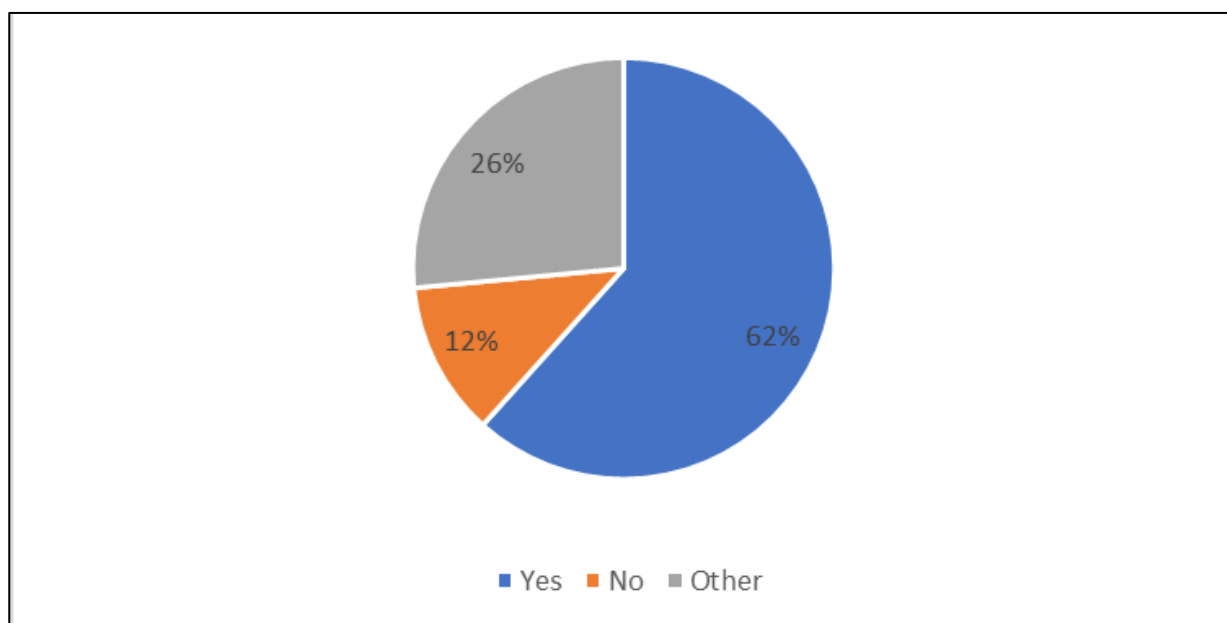


Consultation Question 52 (para 8.153)				
	Yes	No	Other	Total
Leaseholders and representative bodies	48	53	38	139
Commercial investors	19	0	0	19
Social housing sector	2	0	0	2
Charitable sector	3	0	0	3
Legal professionals	38	1	6	45
Surveyors	11	2	0	13
Other professionals	4	1	0	5
Other consultees	41	21	10	72
Grand Total	166	78	54	298

Consultation Question 53

<p>Consultation Question 53.</p> <p>8.155 We provisionally propose the continuation of the exceptions from collective freehold acquisition claims for resident landlords and operational railway tracks.</p> <p>Do consultees agree?</p>

1.74 The statistics for Consultation Question 53 (para 8.155) were as follows, with 116 consultees providing comments with their answers.

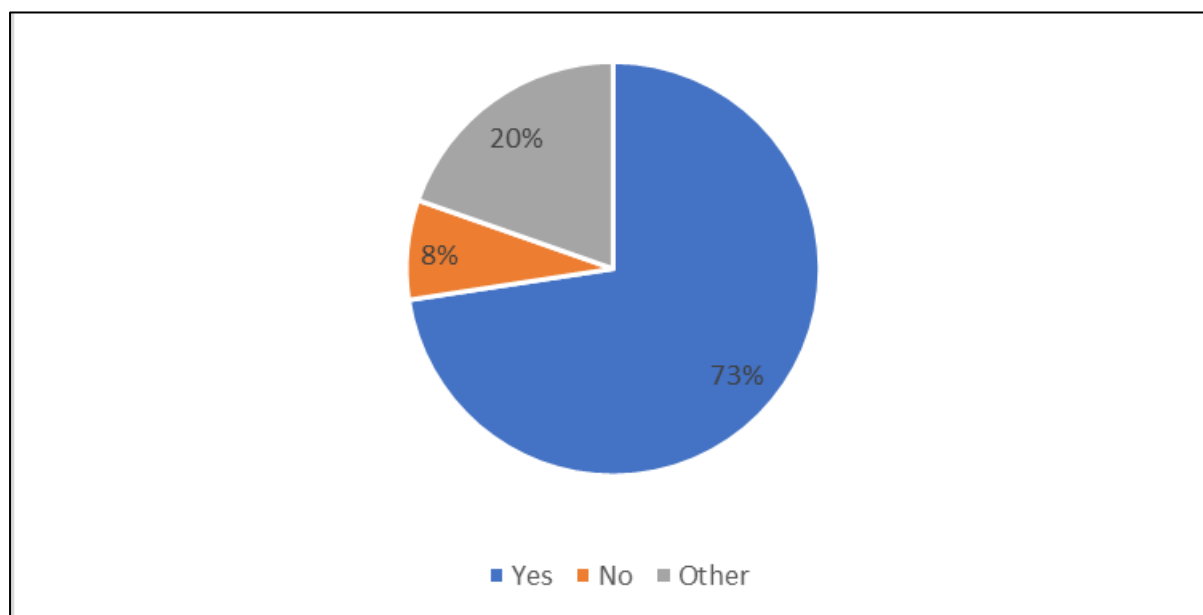


Consultation Question 53 (para 8.155)				
	Yes	No	Other	Total
Leaseholders and representative bodies	41	22	48	111
Commercial investors	17	0	1	18
Social housing sector	1	0	0	1
Charitable sector	2	0	0	2
Legal professionals	42	0	3	45
Surveyors	6	4	2	12
Other professionals	3	0	0	3
Other consultees	44	4	13	61
Grand Total	156	30	67	253

Consultation Question 54

<p>Consultation Question 54.</p> <p>8.157 We provisionally propose that the qualifying criteria for the collective freehold acquisition of an estate ought to correspond to those for the collective freehold acquisition of a single building.</p> <p>Do consultees agree?</p>
--

1.75 The statistics for Consultation Question 54 (para 8.157) were as follows, with 130 consultees providing comments with their answers.



Consultation Question 54 (para 8.157)				
	Yes	No	Other	Total
Leaseholders and representative bodies	86	8	29	123
Commercial investors	13	3	3	19
Social housing sector	1	0	0	1
Charitable sector	1	2	0	3
Legal professionals	32	0	9	41
Surveyors	8	1	3	12
Other professionals	2	2	0	4
Other consultees	53	5	9	67
Grand Total	196	21	53	270

Consultation Question 55

Consultation Question 55.

8.166 We invite the views of consultees as to whether there should be an exception to the two-or-more flats requirement and the two-thirds condition in the case of buildings consisting of two residential units, so as to enable a “collective” freehold acquisition by the leaseholder of one unit where the other is retained by the landlord of the building.

1.76 209 consultees responded to Consultation Question 55 (para 8.166).

Consultation Question 56

Consultation Question 56.

8.180 We provisionally propose that the 25% limit on non-residential use should apply to two-unit buildings as it does to any other multi-unit building. Do consultees agree?

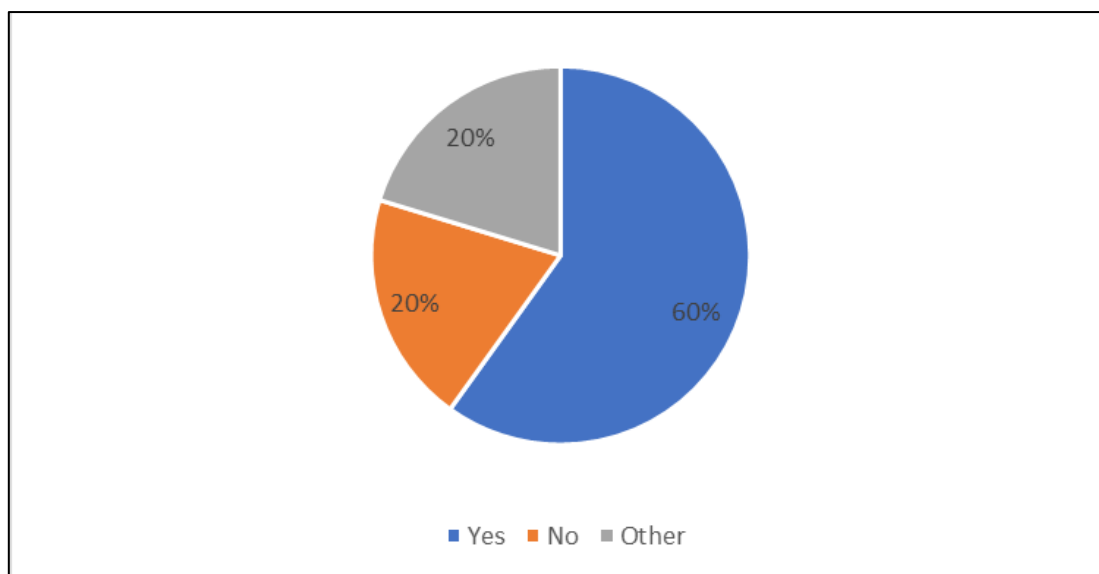
8.181 If consultees disagree, how should two-unit buildings be treated differently? Do consultees favour:

- (1) a proviso to the effect that a non-residential unit can be treated as residential where its use is “ancillary” or “complementary” to residential use of another unit;
- (2) a higher percentage limit; or
- (3) a sunset clause?

Alternatively, is there another potential approach we should consider?

1.77 Consultation Question 56 (paras 8.180 to 8.181) was a two-part question.

- (1) In respect of the first part (para 8.180), the statistics were as follows (with 109 consultees providing comments with their answers).



Part 1 of Consultation Question 56 (para 8.180)

	Yes	No	Other	Total
Leaseholders and representative bodies	42	29	34	105
Commercial investors	17	1	0	18
Social housing sector	1	0	0	1
Charitable sector	1	0	0	1
Legal professionals	34	4	3	41
Surveyors	9	1	1	11
Other professionals	1	1	1	3
Other consultees	34	10	8	52
Grand Total	139	46	47	232

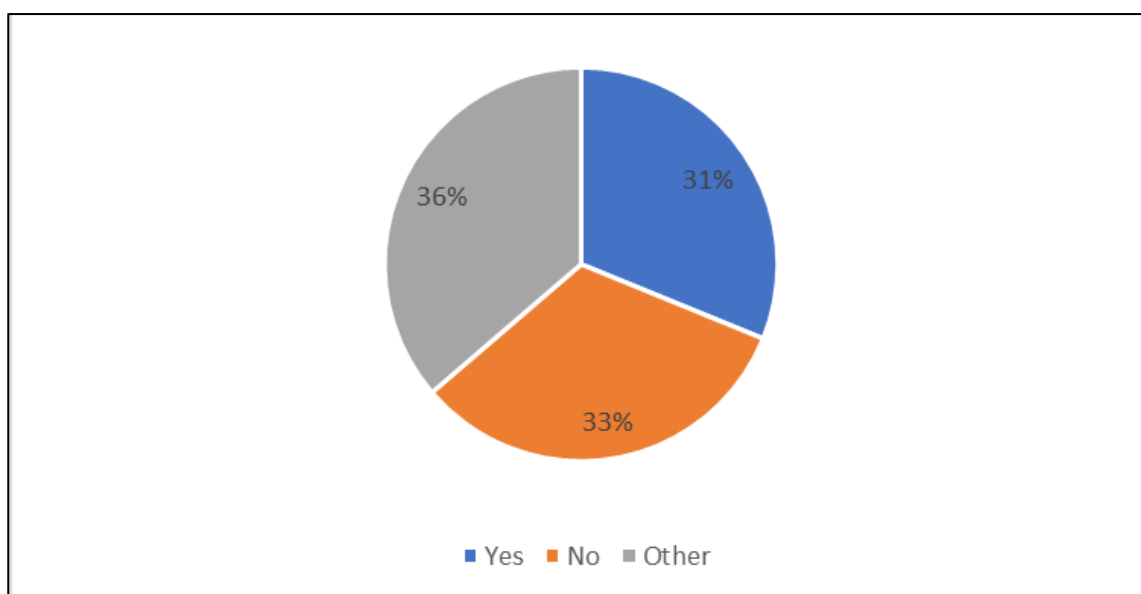
(2) 108 consultees answered the second part of the question (para 8.181).

Consultation Question 57

Consultation Question 57.

8.184 Do consultees think that the ability of a head lessee of a block of flats to acquire the freehold of that block individually is a significant problem with our proposed scheme, compared with the reality under the current law?

1.78 The statistics for Consultation Question 57 (para 8.184) were as follows (with 169 consultees providing comments with their answers).



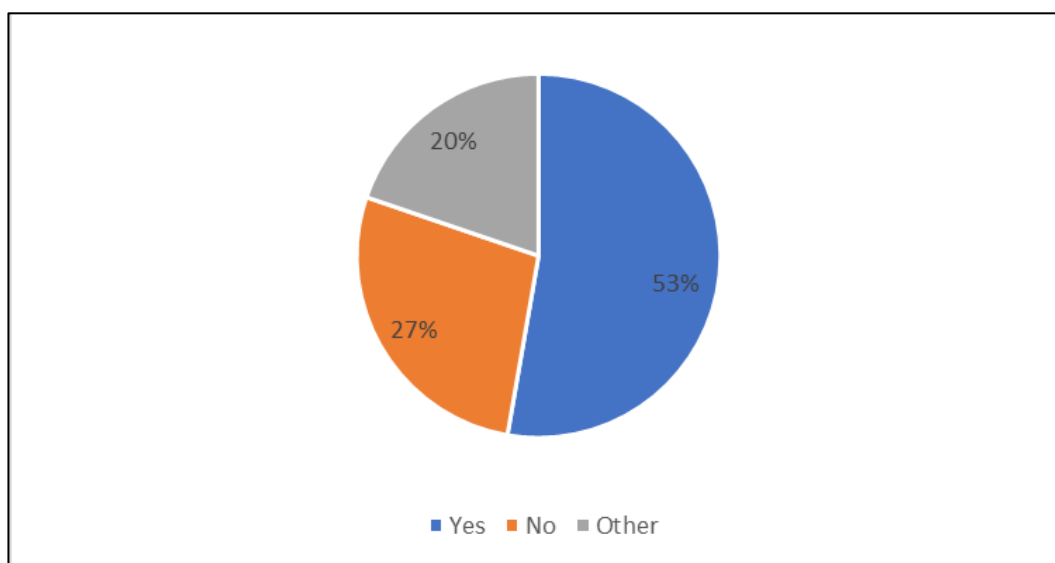
Consultation Question 57 (para 8.184)				
	Yes	No	Other	Total
Leaseholders and representative bodies	31	23	51	105
Commercial investors	4	8	1	13
Social housing sector	0	1	0	1
Charitable sector	1	0	0	1
Legal professionals	6	19	7	32
Surveyors	3	7	1	11
Other professionals	0	1	2	3
Other consultees	22	11	16	49
Grand Total	67	70	78	215

Consultation Question 58

<p>Consultation Question 58.</p> <p>8.192 Do consultees consider it desirable to attempt to restrict the enfranchisement rights of commercial investors further than the current law does?</p> <p>8.193 If so, do consultees consider that it might be possible successfully to restrict the enfranchisement rights of commercial investors:</p> <p>(1) by means of a residence test; or</p> <p>(2) by the adoption of a reduced definition of a residential unit, to exclude units which are let on short residential tenancies?</p> <p>Are there any other options we should consider?</p>

1.79 Consultation Question 58 (paras 8.192 to 8.193) was a two-part question.

- (1) In respect of the first part (para 8.192), the statistics were as follows, with 175 consultees providing comments with their answers.



Part 1 of Consultation Question 58 (para 8.192)				
	Yes	No	Other	Total
Leaseholders and representative bodies	79	25	34	138
Commercial investors	7	6	1	14
Social housing sector	0	0	1	1
Charitable sector	1	1	0	2
Legal professionals	7	25	6	38
Surveyors	5	5	1	11
Other professionals	1	1	1	3
Other consultees	44	12	10	66
Grand Total	144	75	54	273

- (2) 156 consultees answered the second part of Consultation Question 58 (para 8.193).

Consultation Question 59

Consultation Question 59.

8.194 How and to what extent has the exercise of enfranchisement rights been slowed down, prevented, or made more costly by:

- (1) the qualifying criteria based on financial limits (the low rent test and rateable values) under the 1967 Act;
- (2) the difficulty in categorising premises as either flats or houses;
- (3) the uncertainty surrounding the definition of a “house” under the 1967 Act and the definition of a “self-contained building” under the 1993 Act;
- (4) the two-year ownership rule under the 1967 Act and (in respect of lease extensions) the 1993 Act; and
- (5) the general complexity and inaccessibility of the qualifying criteria for enfranchisement rights?

8.195 To what extent would our proposed reforms to qualifying criteria reduce:

- (1) the duration and cost of the enfranchisement process; and
- (2) the number of disputes arising under the enfranchisement regime?

1.80 Consultation Question 59 (paras 8.194 to 8.195) was a two-part question.

- (1) 253 consultees answered the first part (para 8.194).
- (2) 204 consultees answered the second part (para 8.195).

Consultation Question 60

Consultation Question 60.

8.196 We welcome evidence as to the likely effect of further restrictions on the ability of commercial leaseholders to enfranchise (whether at all, or at a higher premium than other leaseholders) on:

- (1) the leasehold market;
- (2) the wider housing market; and
- (3) the economy more broadly.

1.81 189 consultees answered Consultation Question 60 (para 8.196).

Chapter 9

Consultation Question 61

Consultation Question 61.

9.37 We provisionally propose:

- (1) that shared ownership leaseholders should be entitled to a lease extension which is of the same length as that available to any other leaseholder; and
- (2) that the terms of the lease extension must replicate any terms of the existing lease which relate to its shared ownership nature.

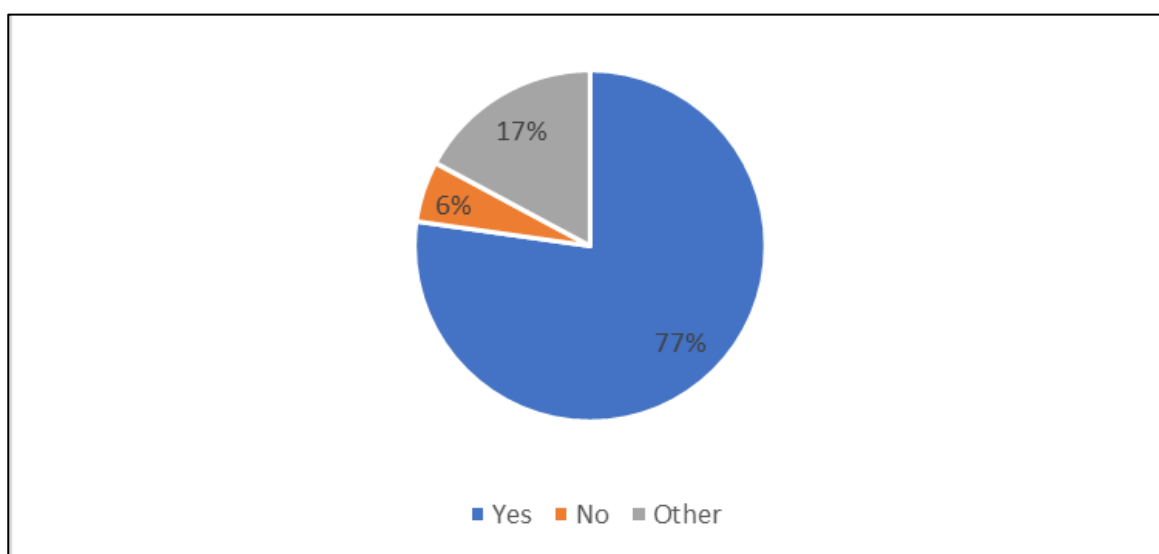
Do consultees agree?

9.38 We invite the views of consultees as to:

- (1) the calculation of the premium payable by a shared ownership leaseholder for a lease extension;
- (2) any issues of valuation and procedure which arise where the provider of the shared ownership lease is itself a leaseholder; and
- (3) any other issues which may arise on the exercise of the right to a lease extension by a shared ownership leaseholder.

1.82 Consultation Question 61 (paras 9.37 to 9.38) was a two-part question.

- (1) In respect of the first part (para 9.37), the statistics were as follows (with 149 consultees providing comments with their answers).



Part 1 of Consultation Question 61 (para 9.37)

	Yes	No	Other	Total
Leaseholders and representative bodies	92	4	33	129
Commercial investors	8	1	3	12
Social housing sector	3	0	0	3
Charitable sector	1	0	0	1
Legal professionals	29	0	7	36
Surveyors	7	6	1	14
Other professionals	4	0	0	4
Other consultees	63	4	2	69
Grand Total	207	15	46	268

(2) 160 consultees answered the second part (para 9.38).

Consultation Question 62

Consultation Question 62.

9.42 We invite the views of consultees as to whether the proposed requirements for a collective freehold acquisition claim that:

- (1) two-thirds of the residential units in a building or on an estate must be let on long leases; and
- (2) leaseholders of at least half of the residential units in the building or on the estate must participate in the claim;

should be relaxed where a building or estate includes residential units let on shared ownership leases.

9.43 If consultees think that the requirements should be relaxed, then how should this be done?

- (1) Should shared ownership properties be ignored altogether when determining the number of residential units in a building or on an estate, and whether the necessary percentage requirements are met?
- (2) Alternatively, should shared ownership leaseholders be treated as long leaseholders for these purposes, even though they cannot themselves participate in the collective freehold acquisition?
- (3) Is there another approach which could be used?

1.83 Consultation Question 62 (paras 9.42 to 9.43) was a two-part question.

- (1) 195 consultees answered the first part of the question (para 9.42).
- (2) 142 consultees answered the second part of the question (para 9.43).

Consultation Question 63

Consultation Question 63.

9.48 We provisionally propose that:

- (1) shared ownership leases should be required to comply with particular statutory criteria in order to be exempt from rights of freehold acquisition; and
- (2) those criteria should be the same regardless of the type of landlord.

Do consultees agree?

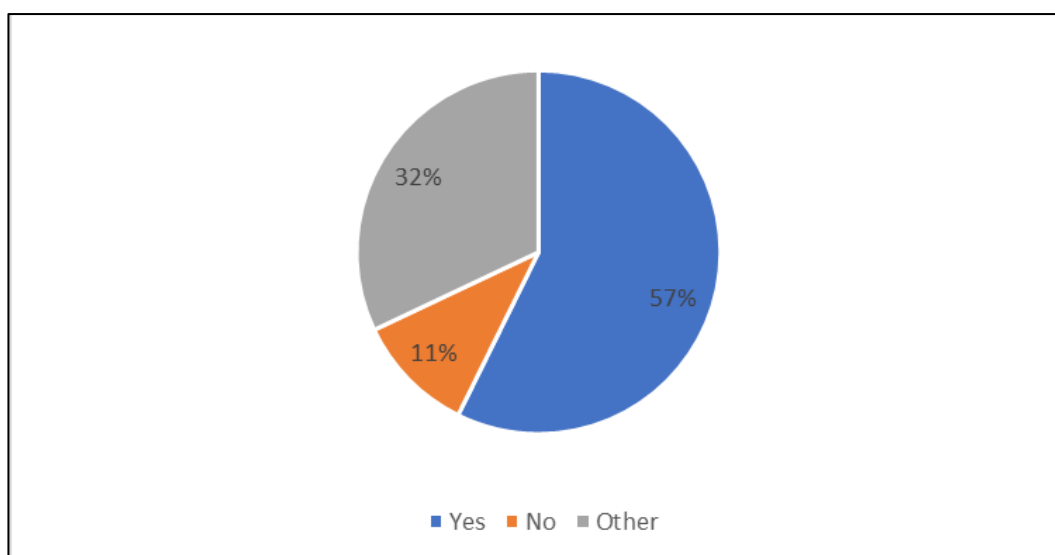
9.49 We provisionally propose that those statutory criteria should require that the shared ownership lease:

- (1) entitles the leaseholder to acquire additional shares in the house at any time, up to a maximum of 100%, in increments of 25% or less (save in the case of properties in designated protected areas, where a lower maximum entitlement should be permissible);
- (2) provides that the price payable for such shares shall be proportionate to the market value of the property at the time of acquisition of the shares, and provide for a corresponding reduction in rent payable by the leaseholder; and
- (3) entitles the leaseholder to require the landlord's interest to be transferred to him or her, free of charge, at any time after he or she has acquired 100% of the shares in the property.

Do consultees agree? We also invite the views of consultees as to any other criteria which they consider shared ownership leases should be required to satisfy in order to be exempt from rights of freehold acquisition.

1.84 Consultation Question 63 (paras 9.48 to 9.49) was a two-part question.

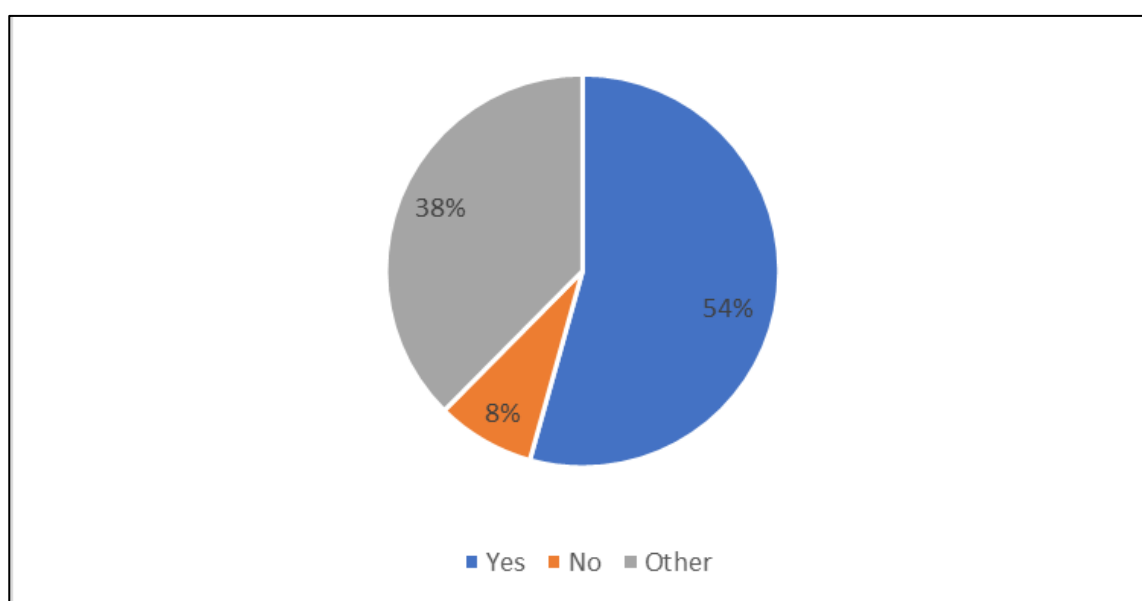
- (1) The statistics for the first part of the question (para 9.48) were as follows, with 113 consultees providing comments with their answers.



Part 1 of Consultation Question 63 (para 9.48)

	Yes	No	Other	Total
Leaseholders and representative bodies	39	11	34	84
Commercial investors	6	0	2	8
Social housing sector	1	0	0	1
Charitable sector	1	1	0	2
Legal professionals	15	2	5	22
Surveyors	5	1	5	11
Other professionals	3	0	1	4
Other consultees	32	4	10	46
Grand Total	102	19	57	178

- (2) The statistics for the second part of the question (para 9.49) were as follows, with 106 consultees providing comments with their answers.



Part 2 of Consultation Question 63 (para 9.49)

	Yes	No	Other	Total
Leaseholders and representative bodies	38	4	43	85
Commercial investors	5	0	2	7
Social housing sector	1	0	0	1
Charitable sector	0	1	0	1
Legal professionals	16	1	5	22
Surveyors	3	5	1	9
Other professionals	2	1	1	4
Other consultees	29	2	13	44
Grand Total	94	14	65	173

Consultation Question 64

Consultation Question 64.

9.60 We invite the views of consultees as to the treatment of long leases of National Trust properties within our new enfranchisement regime. Should National Trust property let on long residential leases:

- (1) be excluded altogether from statutory enfranchisement rights;
- (2) be subject to enfranchisement claims in the same way as any other property; or
- (3) be subject to more limited enfranchisement rights than other property?

9.61 If National Trust properties are to enjoy more limited enfranchisement rights than other property, how should this limitation be achieved?

1.85 Consultation Question 64 (paras 9.60 to 9.61) was a two-part question.

- (1) 221 consultees responded to the first part (para 9.60).
- (2) 141 consultees responded to the second part (para 9.61).

Consultation Question 65

Consultation Question 65.

9.66 We would like to hear from any consultees who have made lease extension or freehold acquisition claims against the Crown (whether pursuant to the Crown's undertaking to Parliament or its voluntary policy). What has been your experience? Have you encountered any difficulties?

1.86 185 consultees responded to Consultation Question 65 (para 9.66).

Consultation Question 66

Consultation Question 66.

- 9.74 We invite consultees' views as to whether there should be a new exemption from enfranchisement rights for community land trusts and other forms of community-led housing.
- 9.75 If so, we invite the views of consultees as to:
- (1) the housing models to which the exemption should apply;
 - (2) the way in which the exemption should work, and the circumstances in which it should apply;
 - (3) the enfranchisement rights which should fall within the exemption; and
 - (4) any other issues which consultees consider relevant to such an exemption.

1.87 Consultation Question 66 (paras 9.74 to 9.75) was a two-part question.

- (1) 169 consultees responded to the first part (para 9.74).
- (2) 105 consultees responded to the second part (para 9.75).

Consultation Question 67

Consultation Question 67.

- 9.96 We invite consultees to share their experiences of the existing exemptions and qualifications to enfranchisement rights. We also invite consultees' views as to whether these exemptions and qualifications should be retained in any new enfranchisement regime.

1.88 188 consultees responded to Consultation Question 67 (para 9.96).

Consultation Question 68

Consultation Question 68.

- 9.97 If you have experience of the grant of lease extensions to shared ownership leaseholders (either under the 1993 Act or on a voluntary basis), please tell us about the terms on which these lease extensions have been granted.

1.89 158 consultees responded to Consultation Question 68 (para 9.97).

Consultation Question 69

Consultation Question 69.

9.98 We welcome evidence as to how Government's policy decision to give shared ownership leaseholders a statutory right to a lease extension would affect:

- (1) the willingness of landlords and developers to offer shared ownership leases; and
- (2) the market value of shared ownership leases.

1.90 166 consultees answered Consultation Question 69 (para 9.98).

Chapter 10

1.91 There were no consultation questions in Chapter 10.

Chapter 11

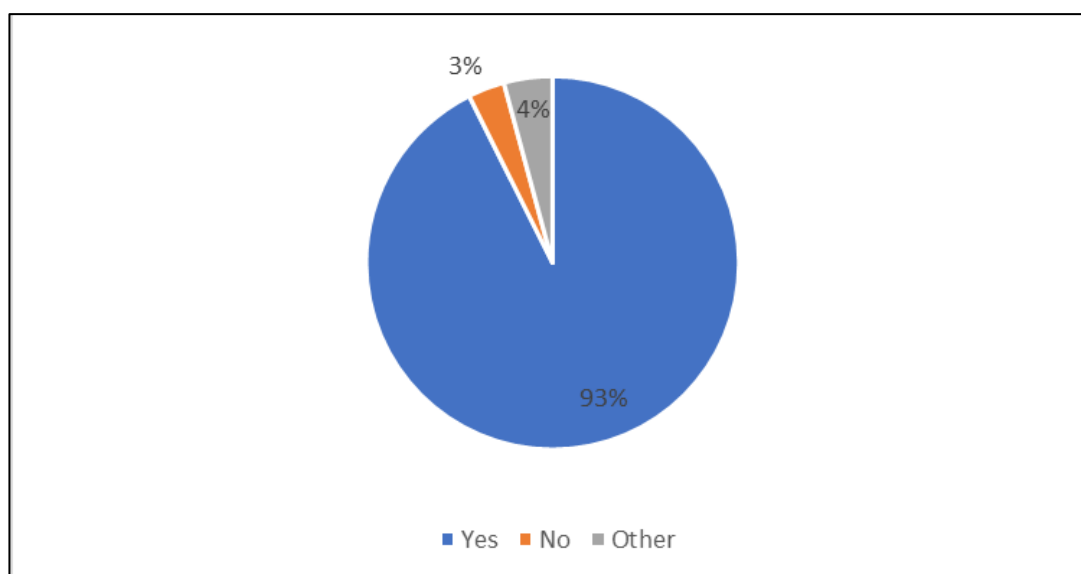
Consultation Question 70

Consultation Question 70.

11.13 We provisionally propose that a single procedure should apply to all enfranchisement rights.

Do consultees agree?

1.92 The statistics for Consultation Question 70 (para 11.13) were as follows, with 212 consultees providing comments with their answers.

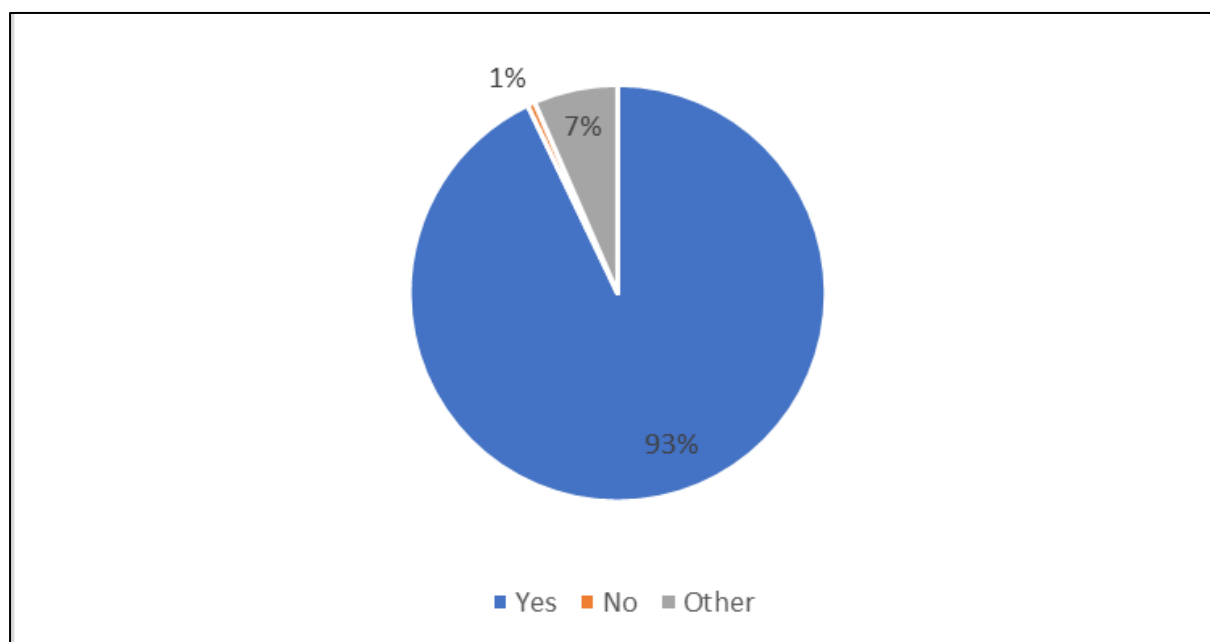


Consultation Question 70 (para 11.13)				
	Yes	No	Other	Total
Leaseholders and representative bodies	168	6	10	184
Commercial investors	14	1	1	16
Social housing sector	3	0	0	3
Charitable sector	2	0	0	2
Legal professionals	40	3	1	44
Surveyors	15	0	1	16
Other professionals	3	0	1	4
Other consultees	106	2	2	110
Grand Total	351	12	16	379

Consultation Question 71

<p>Consultation Question 71.</p> <p>11.17 We provisionally propose that a single set of prescribed forms be introduced for bringing and responding to enfranchisement claims, namely an Information Notice, a Claim Notice and a Response Notice.</p> <p>Do consultees agree?</p>	
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1.93 The statistics for Consultation Question 71 (para 11.17) were as follows, with 149 consultees providing comments with their answers.



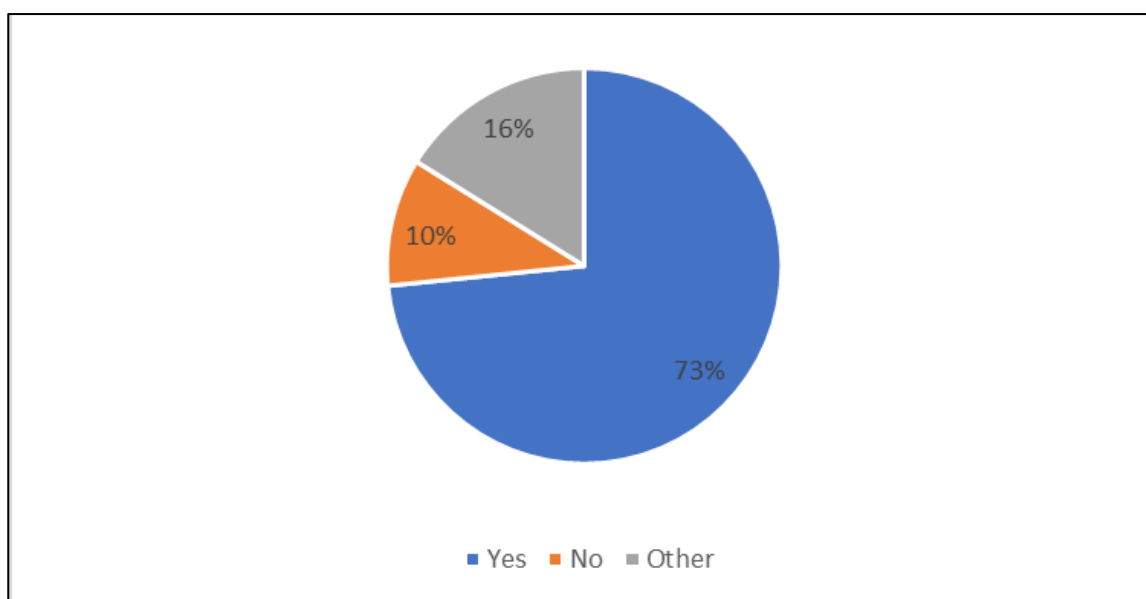
Consultation Question 71 (para 11.17)				
	Yes	No	Other	Total
Leaseholders and representative bodies	149	1	13	163
Commercial investors	14	0	1	15
Social housing sector	2	0	0	2
Charitable sector	2	0	0	2
Legal professionals	40	0	6	46
Surveyors	16	0	0	16
Other professionals	4	0	0	4
Other consultees	86	1	2	89
Grand Total	313	2	22	337

Consultation Question 72

Consultation Question 72.	
11.24	Do consultees consider that a party who is giving an enfranchisement notice should be required to sign that notice?
11.25	Do consultees consider that an enfranchisement notice should only be challengeable for validity if it has not been signed by or on behalf of the minimum number of leaseholders required to bring the claim? If not, what do consultees believe the minimum requirement should be for such a notice to remain valid?
11.26	Do consultees consider that a Claim Notice should include a statement of truth confirming that specified checks (if required) have been carried out?

1.94 Consultation Question 72 (paras 11.24 to 11.26) was a three-part question.

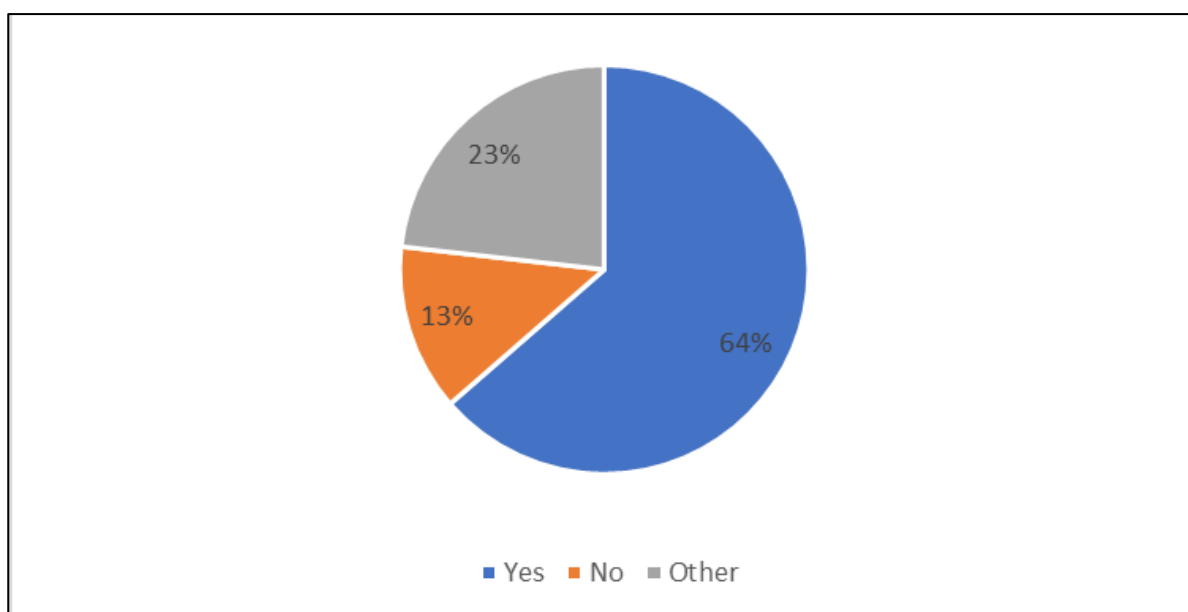
- (1) In respect of the first part (para 11.24), the statistics were as follows, with 157 consultees providing comments with their answers.



Part 1 of Consultation Question 72 (para 11.24)

	Yes	No	Other	Total
Leaseholders and representative bodies	99	6	34	139
Commercial investors	12	1	1	14
Social housing sector	0	0	1	1
Charitable sector	2	0	0	2
Legal professionals	20	11	7	38
Surveyors	8	5	2	15
Other professionals	2	1	0	3
Other consultees	75	7	3	85
Grand Total	218	31	48	297

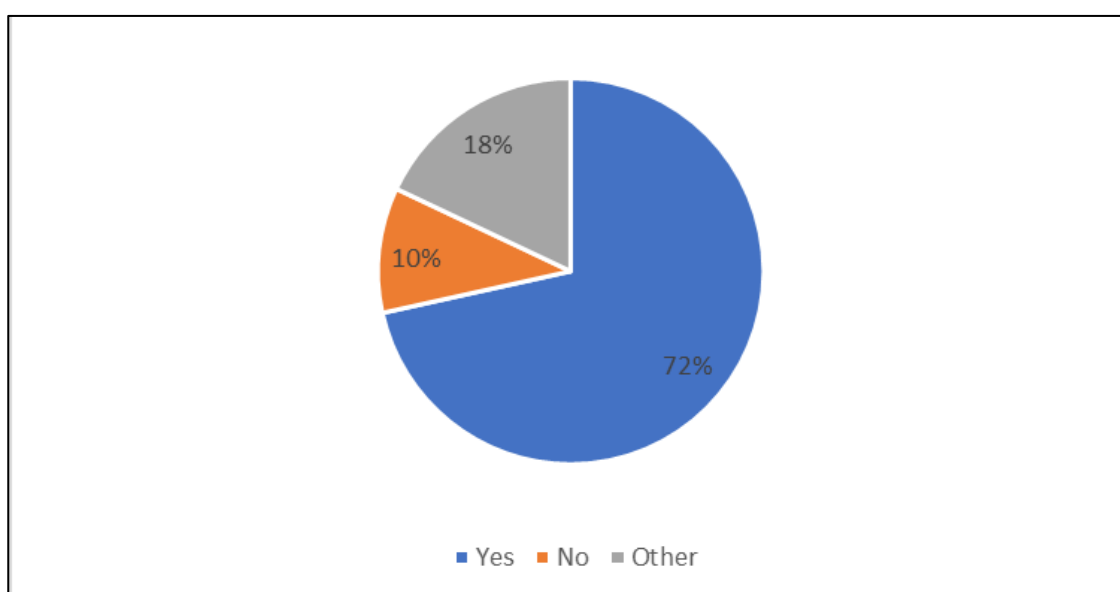
- (2) In respect of the second part (para 11.25), the statistics were as follows, with 143 consultees providing comments with their answers.



Part 2 of Consultation Question 72 (para 11.25)

	Yes	No	Other	Total
Leaseholders and representative bodies	74	3	40	117
Commercial investors	7	4	0	11
Social housing sector	0	0	1	1
Charitable sector	1	1	0	2
Legal professionals	17	11	4	32
Surveyors	6	6	2	14
Other professionals	1	1	1	3
Other consultees	53	7	10	70
Grand Total	159	33	58	250

- (3) In respect of the third part (para 11.26), the statistics were as follows, with 118 consultees providing comments with their answers.



Part 3 of Consultation Question 72 (para 11.25)

	Yes	No	Other	Total
Leaseholders and representative bodies	78	11	33	122
Commercial investors	11	3	1	15
Charitable sector	1	1	0	2
Legal professionals	30	3	6	39
Surveyors	9	4	0	13
Other professionals	3	0	1	4
Other consultees	59	6	7	72
Grand Total	191	28	48	267

Consultation Question 73

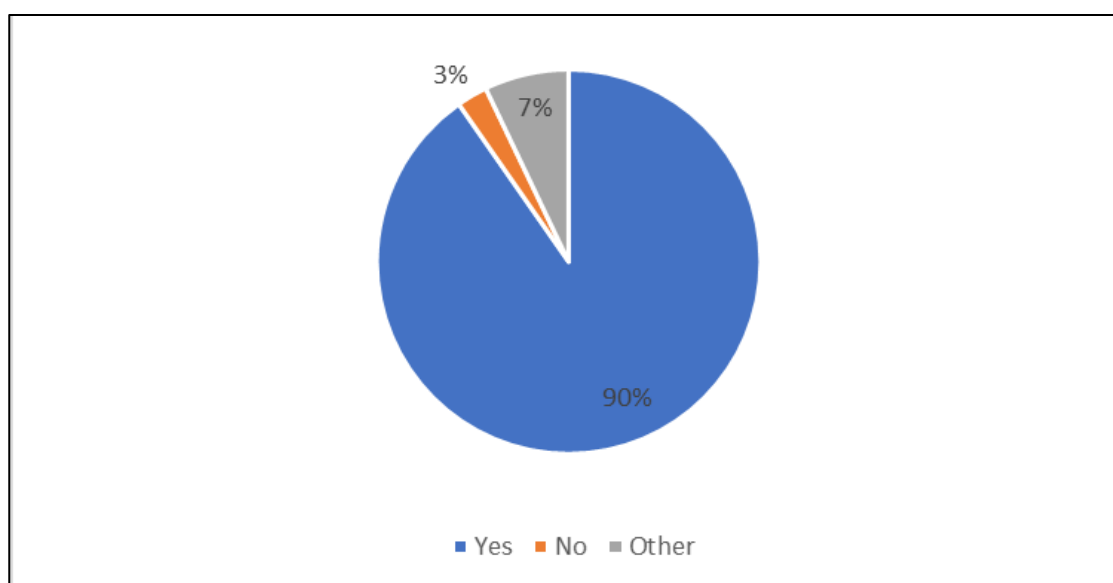
Consultation Question 73.

11.30 We provisionally propose that:

- (1) leaseholders be permitted to serve an Information Notice on their immediate landlord or a superior landlord requiring the recipient to provide the name and address of his or her landlord and any other superior landlord of whom he or she is aware; and
- (2) the recipient of an Information Notice who fails to respond should be liable to pay any costs of leaseholders that are wasted as a result of the information not having been provided.

Do consultees agree?

1.95 The statistics for Consultation Question 73 (para 11.30) were as follows, with 146 consultees providing comments with their answers.



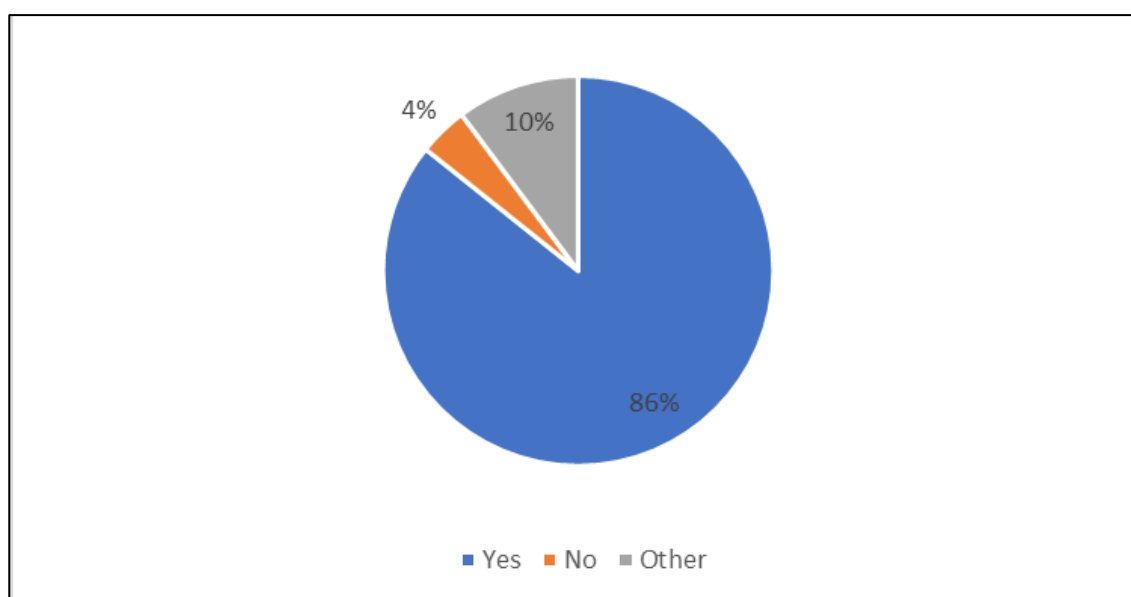
Consultation Question 73 (para 11.30)				
	Yes	No	Other	Total
Leaseholders and representative bodies	137	0	11	148
Commercial investors	11	4	0	15
Social housing sector	1	0	0	1
Charitable sector	1	0	0	1
Legal professionals	37	2	5	44
Surveyors	11	0	3	14
Other professionals	3	1	0	4
Other consultees	78	1	3	82
Grand Total	279	8	22	309

Consultation Question 74

<p>Consultation Question 74.</p> <p>11.39 We provisionally propose that Claim Notices should include full details about leaseholders' claims, and proof of the leaseholders' title.</p> <p>Do consultees agree?</p> <p>11.40 We invite the views of consultees as to whether a single prescribed Claim Notice should apply to all enfranchisement claims, or whether separate forms should be provided for different enfranchisement claims.</p>	
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1.96 Consultation Question 74 (paras 11.39 to 11.40) was a two-part question.

- (1) In respect of the first part (para 11.39), the statistics were as follows (with 121 consultees providing comments with their answers).



Part 1 of Consultation Question 74 (para 11.39)

	Yes	No	Other	Total
Leaseholders and representative bodies	113	2	22	137
Commercial investors	13	2	1	16
Social housing sector	1	0	0	1
Charitable sector	2	0	0	2
Legal professionals	40	1	1	42
Surveyors	13	0	1	14
Other professionals	4	0	0	4
Other consultees	66	7	5	78
Grand Total	252	12	30	294

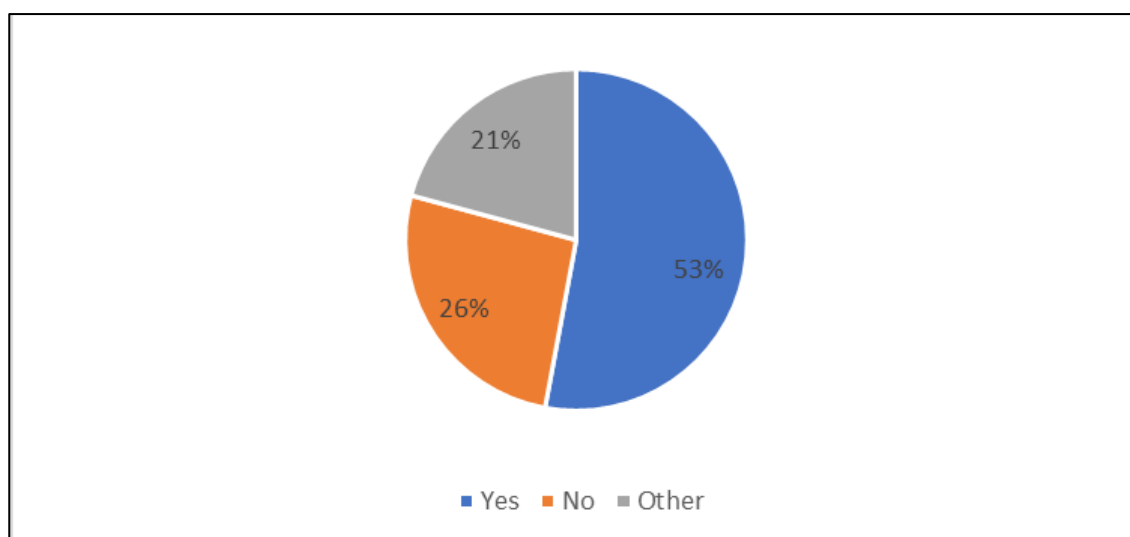
(2) 187 consultees answered the second part of the question (para 11.40).

Consultation Question 75**Consultation Question 75.**

11.43 We provisionally propose that leaseholders seeking to bring a collective freehold acquisition claim should not be required to serve notices on other leaseholders inviting their participation in the proposed claim.

Do consultees agree?

1.97 The statistics for Consultation Question 75 (para 11.43) were as follows, with 179 consultees providing comments with their answers.



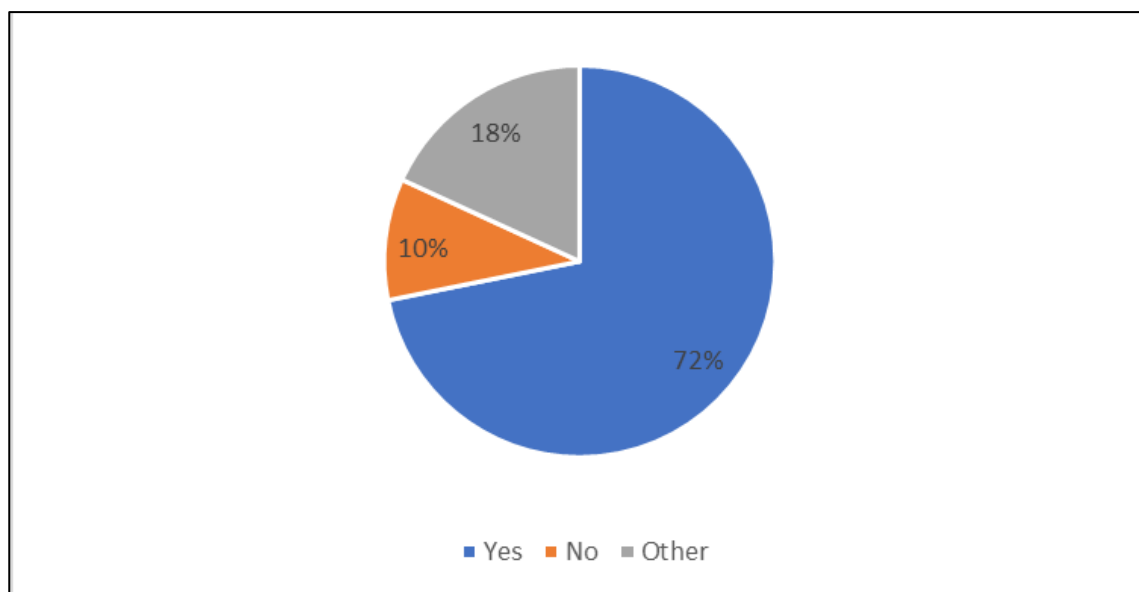
Consultation Question 75 (para 11.43)				
	Yes	No	Other	Total
Leaseholders and representative bodies	81	13	37	131
Commercial investors	2	11	0	13
Social housing sector	0	1	0	1
Charitable sector	0	1	0	1
Legal professionals	13	21	8	42
Surveyors	6	4	2	12
Other professionals	1	2	1	4
Other consultees	42	19	9	70
Grand Total	145	72	57	274

Consultation Question 76

<p>Consultation Question 76.</p> <p>11.46 We provisionally propose that the service of a Claim Notice upon a competent landlord should not create a statutory contract between the leaseholders and the landlord.</p> <p>Do consultees agree?</p> <p>11.47 We invite the views of consultees as to whether there are any other effects of a statutory contract that we would need to provide for in some other way.</p>
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1.98 Consultation Question 76 (paras 11.46 to 11.47) was a two-part question.

- (1) In respect of the first part (para 11.46), the statistics were as follows (with 124 consultees providing comments with their answers).



Part 1 of Consultation Question 76 (para 11.46)				
	Yes	No	Other	Total
Leaseholders and representative bodies	85	9	29	123
Commercial investors	9	3	1	13
Social housing sector	1	0	0	1
Charitable sector	1	0	0	1
Legal professionals	29	8	2	39
Surveyors	7	0	3	10
Other professionals	0	2	1	3
Other consultees	54	4	11	69
Grand Total	186	26	47	259

(2) 92 consultees answered the second part of the question (para 11.47).

Consultation Question 77

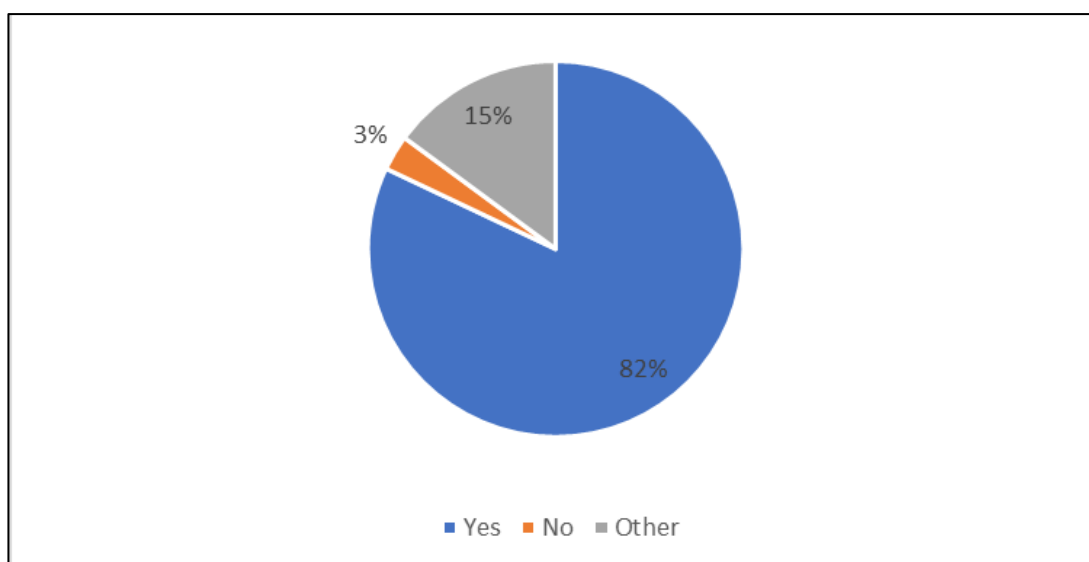
Consultation Question 77.

11.52 We provisionally propose that Response Notices should:

- (1) state whether the leaseholder's right to enfranchise is admitted or denied, and the basis for any such admission or denial;
- (2) state whether the landlord accepts or rejects the leaseholder's proposals, and set out the landlord's own proposed terms;
- (3) attach a draft contract, lease or transfer;
- (4) contain an address within England and Wales at which the landlord can be served; and
- (5) be accompanied by proof of the landlord's title.

Do consultees agree?

1.99 The statistics for Consultation Question 77 (para 11.52) were as follows, with 151 consultees providing comments with their answers.



Consultation Question 77 (para 11.52)				
	Yes	No	Other	Total
Leaseholders and representative bodies	117	3	23	143
Commercial investors	9	2	3	14
Social housing sector	1	1	0	2
Charitable sector	0	0	2	2
Legal professionals	40	0	2	42
Surveyors	7	0	5	12
Other professionals	3	1	0	4
Other consultees	65	2	9	76
Grand Total	242	9	44	295

Consultation Question 78

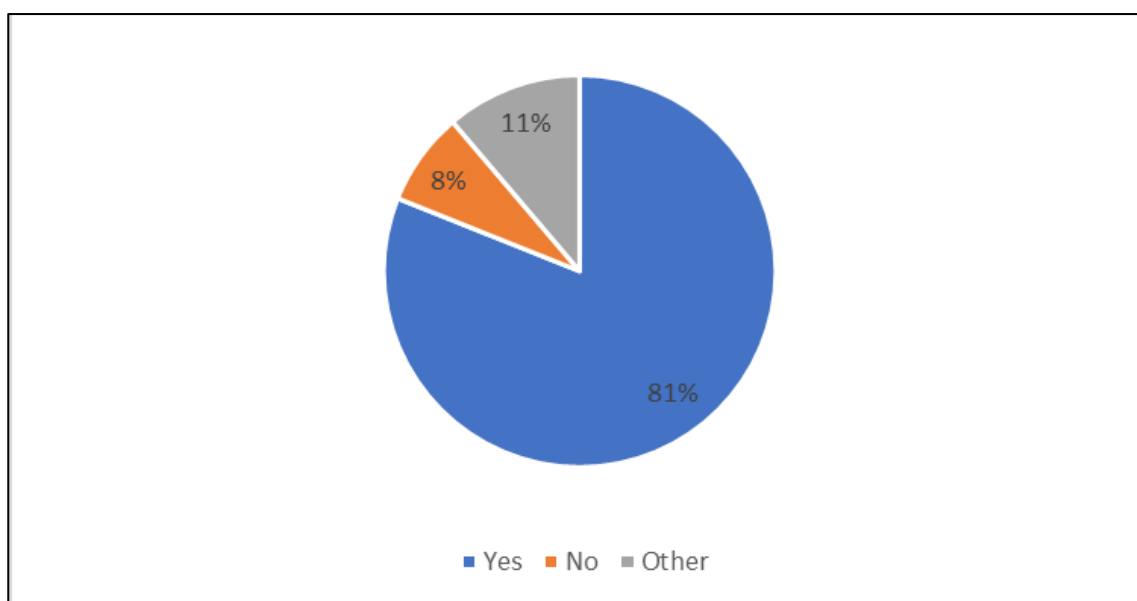
Consultation Question 78.

11.60 We provisionally propose that:

- (1) leaseholders making an enfranchisement claim should serve their Claim Notice on their competent landlord (the first superior landlord who holds a sufficient interest in the premises to be able to grant the interest claimed); and
- (2) in the case of joint owners of a single freehold, or in the case of a split freehold or other reversion, leaseholders will only be required to serve the Claim Notice on one landlord, and it will be for that landlord to serve copies of that notice on other landlords.

Do consultees agree?

1.100 The statistics for Consultation Question 78 (para 11.60) were as follows, with 128 consultees providing comments with their answers.

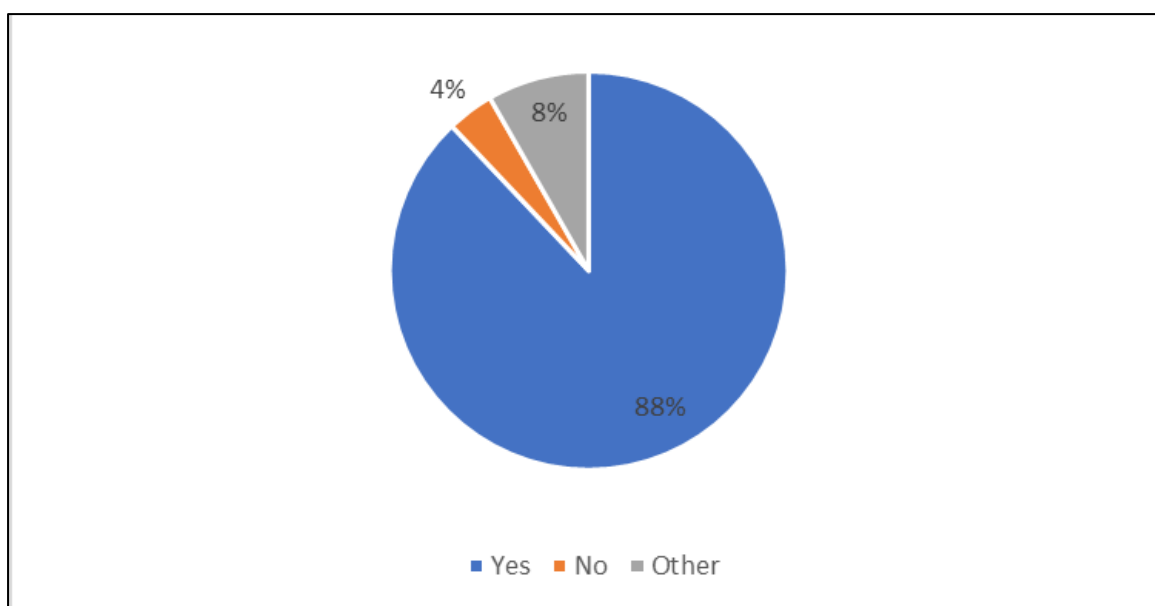


Consultation Question 78 (para 11.60)				
	Yes	No	Other	Total
Leaseholders and representative bodies	119	0	20	139
Commercial investors	9	3	4	16
Social housing sector	1	0	0	1
Charitable sector	1	0	0	1
Legal professionals	24	10	4	38
Surveyors	8	5	0	13
Other professionals	4	0	0	4
Other consultees	65	4	4	73
Grand Total	231	22	32	285

Consultation Question 79

<p>Consultation Question 79.</p> <p>11.82 We provisionally propose that:</p> <ol style="list-style-type: none"> (1) Claim Notices sent by post or delivered by hand to competent landlords at specified categories of address (falling within Group A or B, as set out at paragraphs 11.69 and 11.70) should be deemed served; and (2) where it is not possible to serve competent landlords in that way, leaseholders should be able to apply to the Tribunal for an order allowing them to proceed with their enfranchisement claim. <p>Do consultees agree?</p>

1.101 The statistics for Consultation Question 79 (para 11.82) were as follows, with 128 consultees providing comments with their answers.



Consultation Question 79 (para 11.82)				
	Yes	No	Other	Total
Leaseholders and representative bodies	129	2	14	145
Commercial investors	13	1	0	14
Social housing sector	0	0	1	1
Charitable sector	2	0	0	2
Legal professionals	28	7	0	35
Surveyors	10	0	3	13
Other professionals	4	0	0	4
Other consultees	69	1	6	76
Grand Total	255	11	24	290

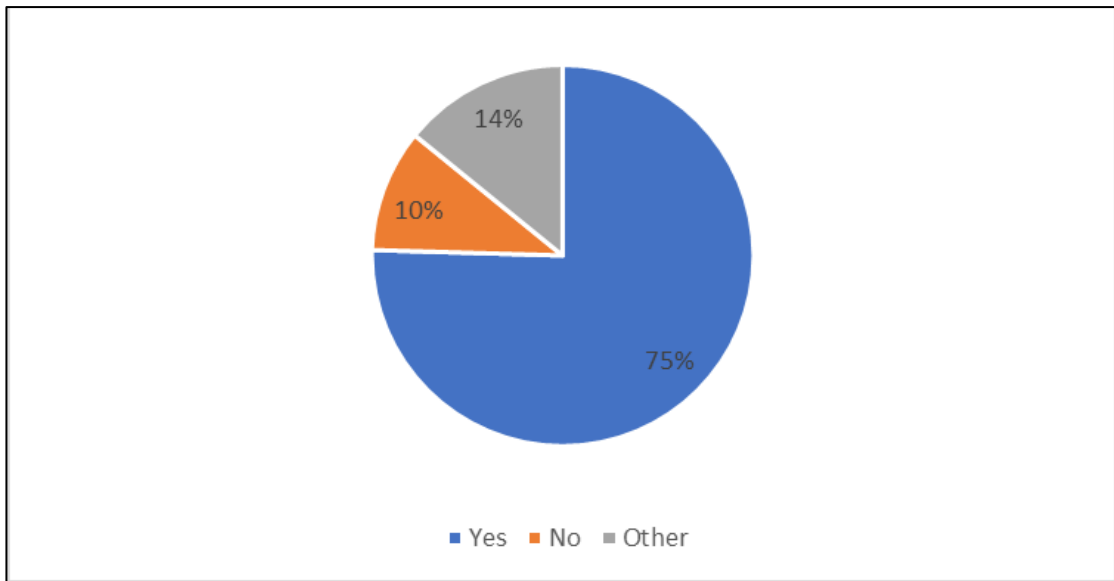
Consultation Question 80.

11.95 We provisionally propose that:

- (1) before serving a Claim Notice, leaseholders should be required to check their competent landlord's address as shown at HM Land Registry;
- (2) before serving a Claim Notice using Service Route B leaseholders should be required to:
 - (a) search the Probate Register;
 - (b) search the Insolvency Register; and
 - (c) (in the case of a company landlord) check its status at Companies House;
- (3) if an individual landlord is dead, the designated address for service should be the address of any personal representatives at the address given in any grant of probate;
- (4) if an individual landlord is insolvent, the designated address for service should be the address for his or her trustee in bankruptcy as shown on the Insolvency Service website;
- (5) if a company landlord is insolvent, the designated address for service should be the address for its administrator, liquidator, or receiver as listed at Companies House; if no such person has been appointed, the Official Receiver should be served;
- (6) before serving a Claim Notice using the No Service Route, leaseholders should place an advertisement in the London Gazette inviting owners of the premises to contact the leaseholders within 28 days; and
- (7) where leaseholders know the identity of the landlord but do not have an address for him or her falling within Group A or B, they should carry out the checks referred to at (2) above, before placing an advertisement in the London Gazette.

Do consultees agree?

1.102 The statistics for Consultation Question 80 (para 11.95) were as follows, with 135 consultees providing comments with their answers.

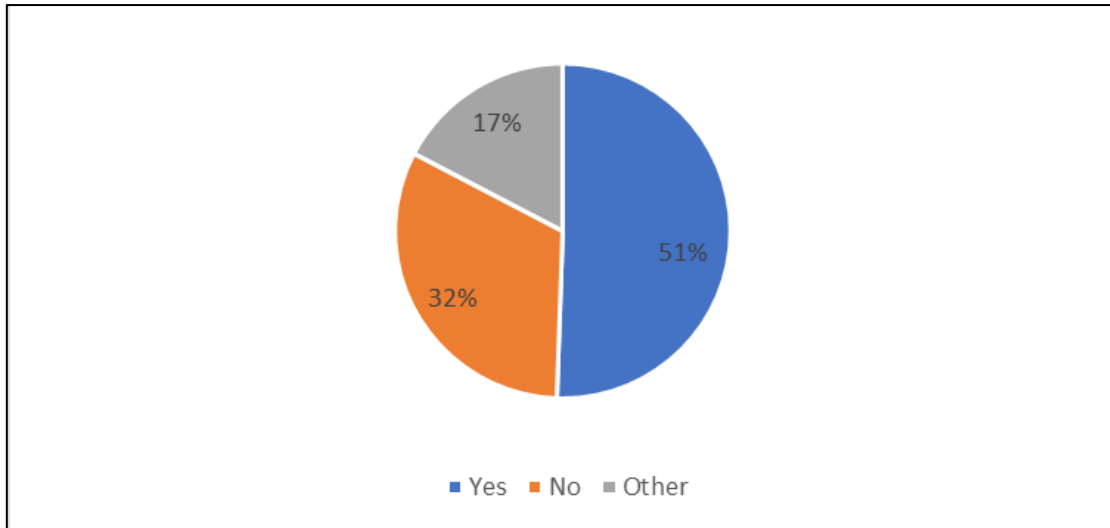


Consultation Question 80 (para 11.95)				
	Yes	No	Other	Total
Leaseholders and representative bodies	83	19	24	126
Commercial investors	17	1	0	18
Social housing sector	1	0	0	1
Legal professionals	34	1	4	39
Surveyors	12	0	0	12
Other professionals	3	1	0	4
Other consultees	53	6	10	69
Grand Total	203	28	38	269

Consultation Question 81

<p>Consultation Question 81.</p> <p>11.101 We provisionally propose that landlords who fail to serve a Response Notice within the prescribed period should no longer be required to transfer their freehold interest, or grant a lease extension, upon the terms set out in the Claim Notice.</p> <p>Do consultees agree?</p>
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1.103 The statistics for Consultation Question 81 (para 11.101) were as follows, with 164 consultees providing comments with their answers.



Consultation Question 81 (para 11.101)

	Yes	No	Other	Total
Leaseholders and representative bodies	46	45	33	124
Commercial investors	16	1	0	17
Social housing sector	2	0	0	2
Charitable sector	2	0	0	2
Legal professionals	29	9	5	43
Surveyors	9	5	1	15
Other professionals	2	2	0	4
Other consultees	31	25	8	64
Grand Total	137	87	47	271

Consultation Question 82

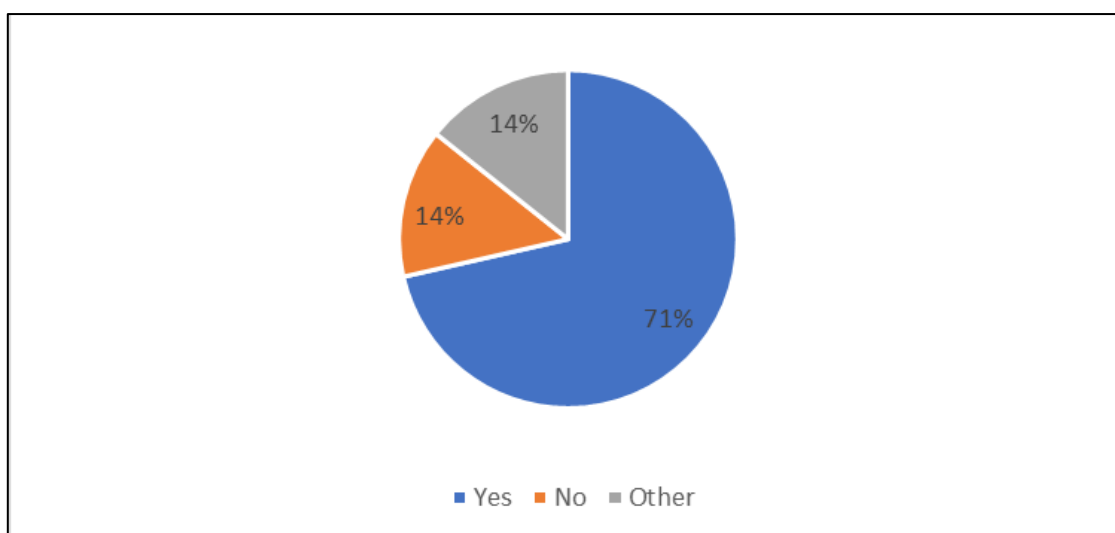
Consultation Question 82.

11.106 We provisionally propose that:

- (1) the competent landlord (rather than the leaseholder) should be responsible for serving copies of the Claim Notice upon intermediate leaseholders or third parties; and
- (2) where the competent landlord fails to serve a copy of a notice on an intermediate landlord, the intermediate landlord should be able to bring a claim against the competent landlord for any losses arising.

Do consultees agree?

1.104 The statistics for Consultation Question 82 (para 11.106) were as follows, with 129 consultees providing comments with their answers.



Consultation Question 82 (para 11.106)				
	Yes	No	Other	Total
Leaseholders and representative bodies	107	0	21	128
Commercial investors	4	8	2	14
Social housing sector	1	0	0	1
Charitable sector	0	2	0	2
Legal professionals	16	16	9	41
Surveyors	6	6	1	13
Other professionals	3	1	0	4
Other consultees	58	6	6	70
Grand Total	195	39	39	273

Consultation Question 83

<p>Consultation Question 83.</p> <p>11.132 We invite the views of consultees as to:</p> <p>(1) whether a landlord should be entitled to apply to the Tribunal for an order setting aside a determination of an enfranchisement claim that has been made in his or her absence; and</p> <p>(2) if so, the criteria which the landlord should be required to satisfy before any such order can be made.</p>	
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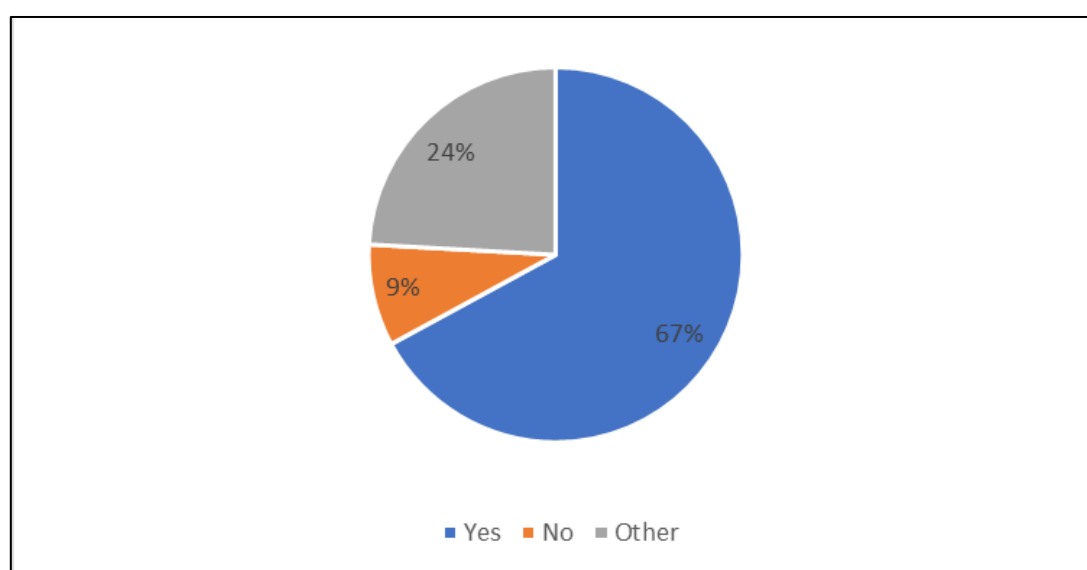
1.105 208 consultees answered Consultation Question 83.

Consultation Question 84

Consultation Question 84.

11.143 We provisionally propose that detailed conveyancing regulations need not generally be made in relation to enfranchisement claims. Do consultees agree? Notwithstanding the general proposition, are there particular stages of the conveyancing process, or particular types of claim, in relation to which conveyancing regulations would still need to be made?

1.106 The statistics for Consultation Question 84 (para 11.143) were as follows, with 148 consultees providing comments with their answers.



Consultation Question 84 (para 11.143)				
	Yes	No	Other	Total
Leaseholders and representative bodies	71	4	37	112
Commercial investors	11	2	2	15
Social housing sector	0	1	0	1
Charitable sector	1	0	0	1
Legal professionals	23	7	2	32
Surveyors	4	0	3	7
Other professionals	0	1	2	3
Other consultees	43	5	9	57
Grand Total	153	20	55	228

Consultation Question 85

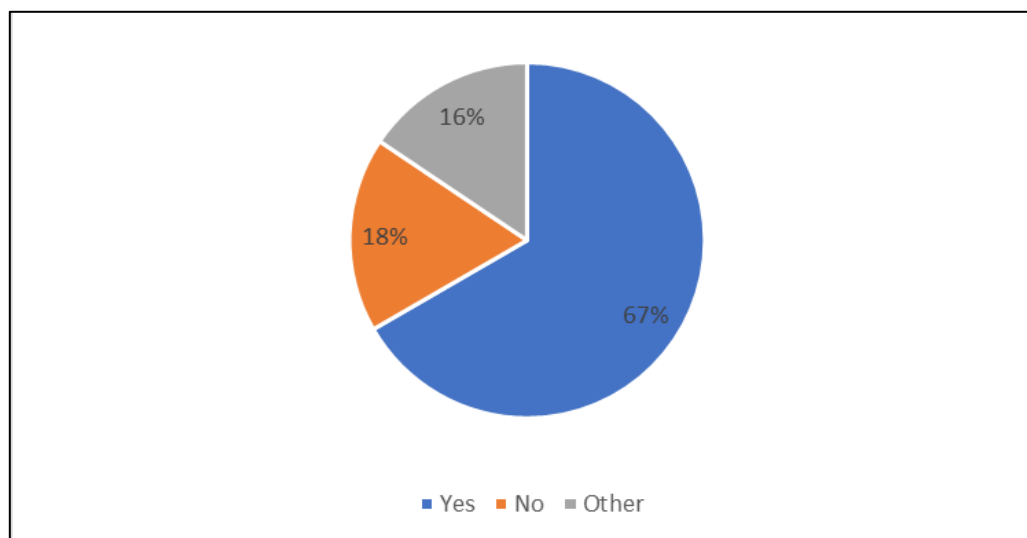
Consultation Question 85.

11.146 We provisionally propose that:

- (1) a landlord should serve a Response Notice no later than six weeks after the date on which the Claim Notice was sent by post or delivered by hand to the competent landlord;
- (2) a landlord who has received a Claim Notice should serve any intermediate landlords and third parties to the existing lease within 14 days; and
- (3) if a Response Notice has been served, either party should be entitled to apply to the Tribunal for a determination of the claim 21 days thereafter.

Do consultees agree?

1.107 The statistics for Consultation Question 85 (para 11.146) were as follows, with 156 consultees providing comments with their answers.



Consultation Question 85 (para 11.146)				
	Yes	No	Other	Total
Leaseholders and representative bodies	104	8	25	137
Commercial investors	2	10	6	18
Social housing sector	0	1	0	1
Charitable sector	0	1	1	2
Legal professionals	16	14	6	36
Surveyors	6	7	0	13
Other professionals	2	2	0	4
Other consultees	58	7	6	71
Grand Total	188	50	44	282

Consultation Question 86

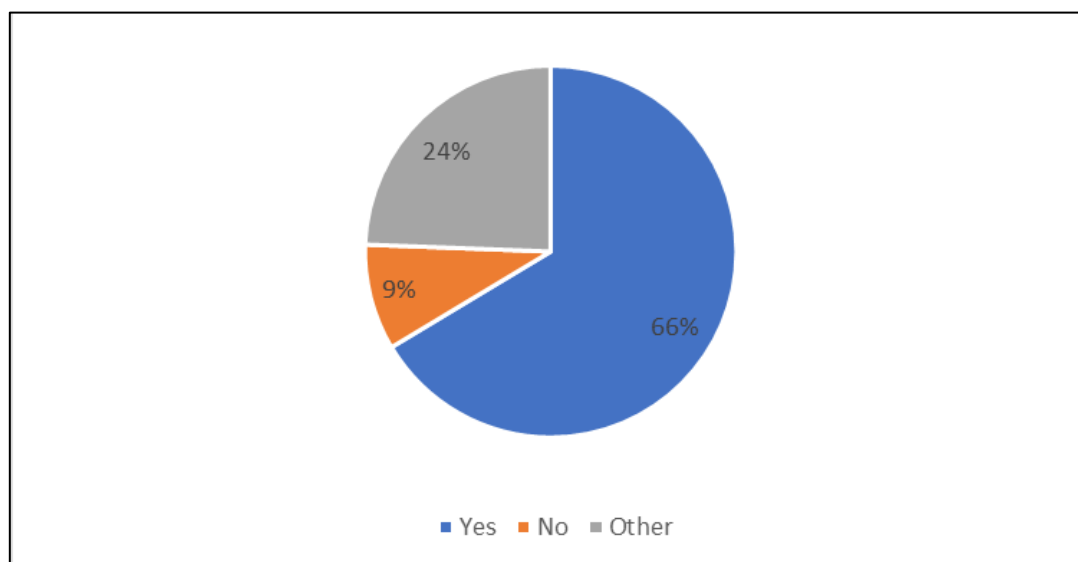
Consultation Question 86.

11.153 We provisionally propose that:

- (1) an enfranchisement claim should not be deemed to have been withdrawn because procedural time limits have been missed by the leaseholder;
- (2) a landlord who has served a Response Notice should be able to apply to the Tribunal for an order striking out a Claim Notice if a procedural time limit has been missed by the leaseholder;
- (3) in a collective freehold acquisition claim, other groups of leaseholders should also be able to apply to the Tribunal for an order striking out the Claim Notice if the leaseholders bringing that claim have missed a procedural time limit; and
- (4) in either case (2) or case (3) above, the applicant for such an order should be required to give the leaseholder(s) bringing the claim 14 days' written notice of the intended application.

Do consultees agree?

1.108 The statistics for Consultation Question 86 (para 11.153) were as follows, with 136 consultees providing comments with their answers.



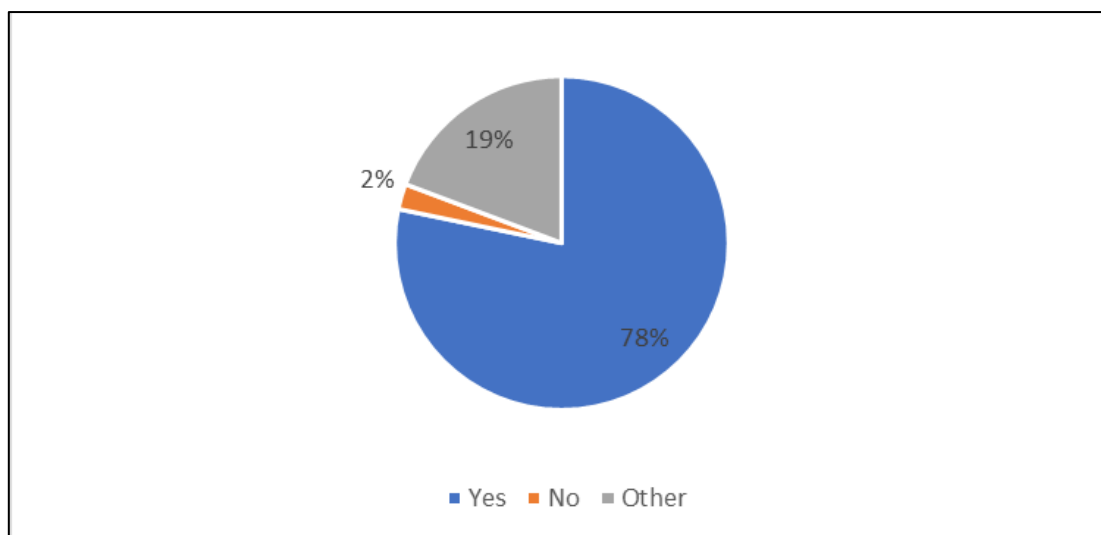
Consultation Question 86 (para 11.153)				
	Yes	No	Other	Total
Leaseholders and representative bodies	73	8	37	118
Commercial investors	10	2	2	14
Social housing sector	1	0	0	1
Charitable sector	0	0	1	1
Legal professionals	23	5	8	36
Surveyors	7	4	1	12
Other professionals	2	1	0	3
Other consultees	50	3	12	65
Grand Total	166	23	61	250

Consultation Question 87

Consultation Question 87.	
11.157 We provisionally propose that the benefit of a Claim Notice should be transferred automatically upon assignment of the leaseholder's lease, save where the assignment expressly states that the benefit of the Claim Notice will not be transferred.	
Do consultees agree?	
11.158 We provisionally propose that when a Claim Notice has been assigned, the landlord should continue to be able to serve documents on the assignor until he or she is given notice of the assignment of lease.	
Do consultees agree?	

1.109 Consultation Question 87 (paras 11.157 to 11.158) was a two-part question.

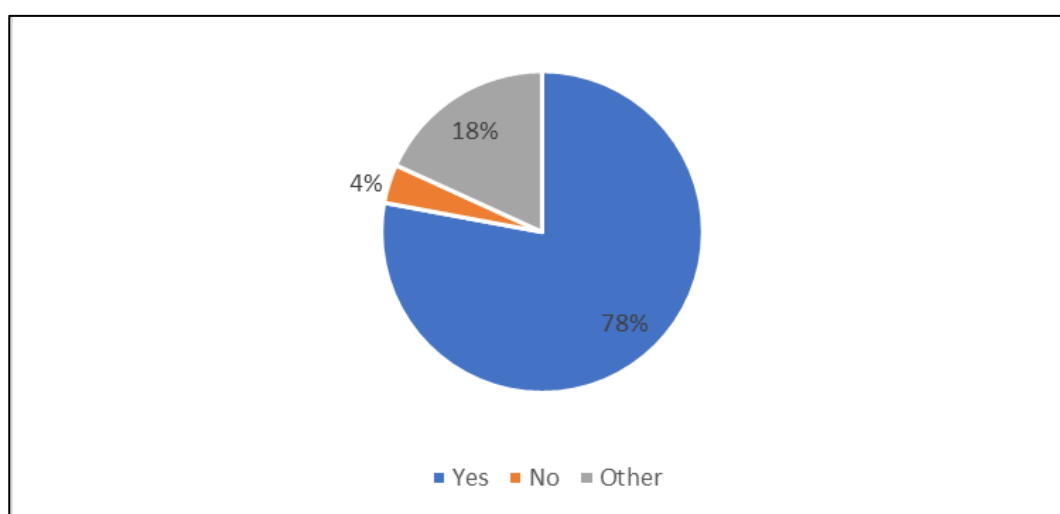
- (1) In respect of the first part (para 11.157), the statistics were as follows (with 106 consultees providing comments with their answers).



Part 1 of Consultation Question 87 (para 11.157)

	Yes	No	Other	Total
Leaseholders and representative bodies	75	4	33	112
Commercial investors	15	1	0	16
Social housing sector	1	0	0	1
Charitable sector	2	0	0	2
Legal professionals	39	0	2	41
Surveyors	10	0	3	13
Other professionals	4	0	0	4
Other consultees	45	1	9	55
Grand Total	191	6	47	244

- (2) In respect of the second part of the question (para 11.158), the statistics were as follows (with 82 consultees providing comments with their answers).



Part 2 of Consultation Question 87 (para 11.158)

	Yes	No	Other	Total
Leaseholders and representative bodies	68	4	33	105
Commercial investors	12	1	0	13
Social housing sector	1	0	0	1
Charitable sector	2	0	0	2
Legal professionals	41	0	1	42
Surveyors	11	0	0	11
Other professionals	4	0	0	4
Other consultees	41	4	8	53
Grand Total	180	9	42	231

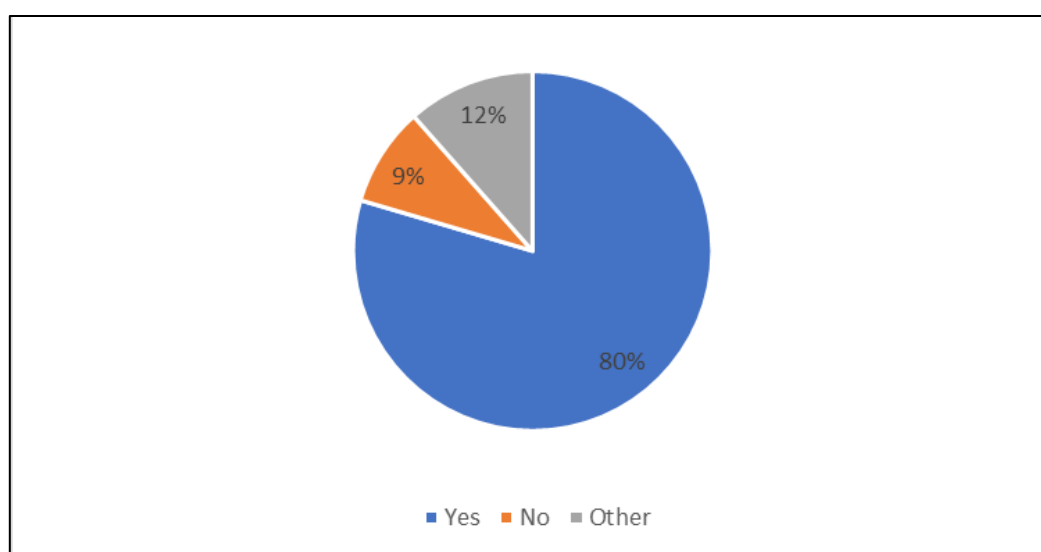
Consultation Question 88

Consultation Question 88.

11.170 We provisionally propose that a landlord who has been deemed served with a Claim Notice will be liable to pay the leaseholder's wasted costs if the landlord disposes of his or her interest between the date on which the Claim Notice was deemed served and the point at which the notice appeared on the register of title or is entered as a land charge, provided that the leaseholder's application to register was made not less than 14 days after the Claim Notice was posted or delivered by hand to the competent landlord.

Do consultees agree?

1.110 The statistics for Consultation Question 88 (para 11.170) were as follows, with 102 consultees providing comments with their answers.



Consultation Question 88 (para 11.170)	Yes	No	Other	Total
Leaseholders and representative bodies	119	0	19	138
Commercial investors	5	7	0	12
Social housing sector	0	0	1	1
Charitable sector	0	1	0	1
Legal professionals	22	9	6	37
Surveyors	7	3	1	11
Other professionals	3	1	0	4
Other consultees	58	3	4	65
Grand Total	214	24	31	269

Consultation Question 89

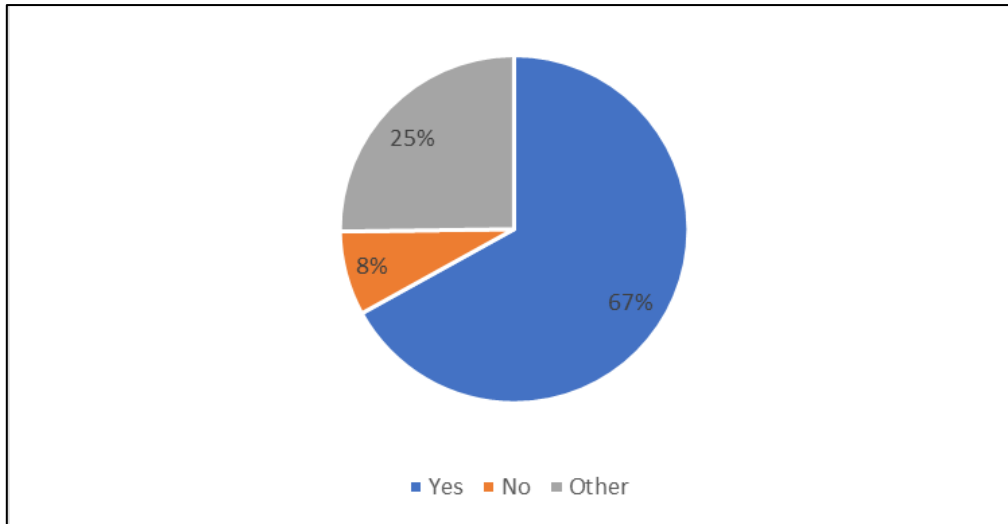
Consultation Question 89.

11.173 We provisionally propose that, in the case of a lease extension claim, where the landlord's interest is held subject to a mortgage:

- (1) a landlord should be under an obligation to:
 - (a) inform his or her mortgagee of the grant of a lease extension not less than 21 days before completion;
 - (b) give his or her leaseholder written confirmation that such notice has been given; and
- (2) the leaseholder should be required to pay the purchase money into court if:
 - (a) the landlord's mortgagee requests; or
 - (b) the leaseholder has not received confirmation that the required notice has been given to the landlord's mortgagee.

Do consultees agree?

1.111 The statistics for Consultation Question 89 (para 11.173) were as follows, with 114 consultees providing comments with their answers.



Consultation Question 89 (para 11.173)

	Yes	No	Other	Total
Leaseholders and representative bodies	70	7	34	111
Commercial investors	7	4	3	14
Social housing sector	0	0	1	1
Legal professionals	27	5	6	38
Surveyors	8	0	3	11
Other professionals	3	0	0	3
Other consultees	39	2	11	52
Grand Total	154	18	58	230

Consultation Question 90

Consultation Question 90.

11.176 We provisionally propose that, in the case of a lease extension claim, where the leaseholder's interest is held subject to a mortgage:

- (1) the leaseholder should be under an obligation to give the lease extension to his or her mortgagee within one month of registration; and
- (2) if the leaseholder does not do so, he or she will be liable for any losses that occur as a result.

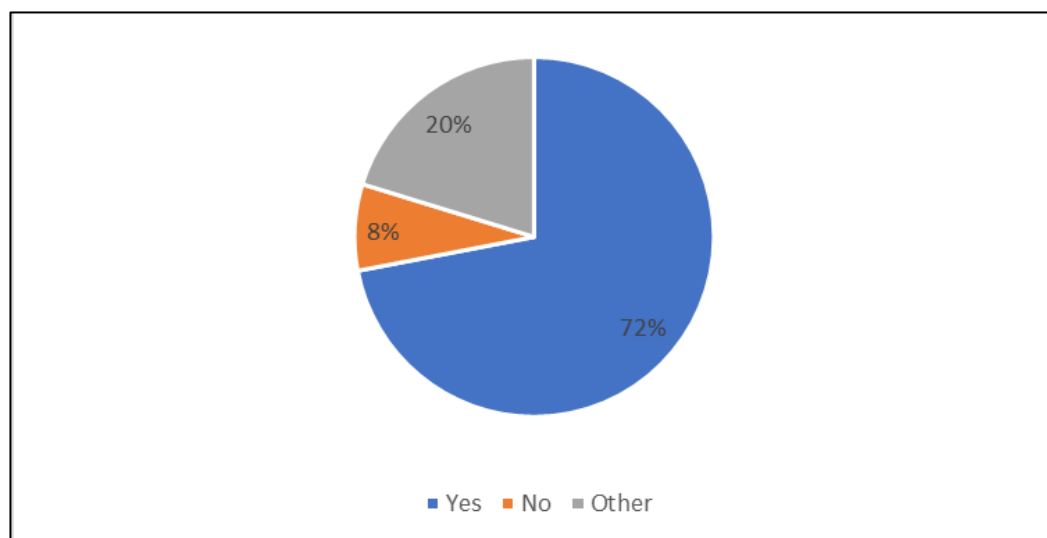
Do consultees agree?

11.177 We provisionally propose that, in the case of an individual freehold acquisition claim, where a leaseholder elects to merge his or her leasehold and freehold titles, a deed of substituted security will not be required if written notice has been given to the leaseholder's mortgagee and no objection has been raised.

Do consultees agree?

1.112 Consultation Question 90 (paras 11.176 to 11.177) was a two-part question.

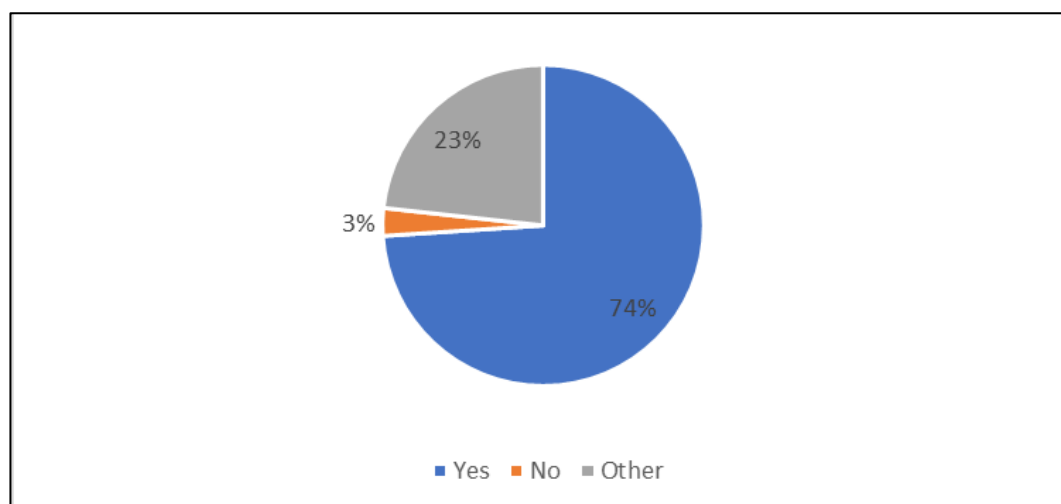
- (1) In respect of the first part (para 11.176), the statistics were as follows (with 102 consultees providing comments with their answers).



Part 1 of Consultation Question 90 (para 11.176)

	Yes	No	Other	Total
Leaseholders and representative bodies	72	7	32	111
Commercial investors	10	0	1	11
Social housing sector	0	0	1	1
Legal professionals	29	4	5	38
Surveyors	9	1	0	10
Other professionals	3	0	0	3
Other consultees	44	6	8	58
Grand Total	167	18	47	232

- (2) In respect of the second part (para 11.177), the statistics were as follows (with 91 consultees providing comments with their answers).



Part 2 of Consultation Question 90 (para 11.177)

	Yes	No	Other	Total
Leaseholders and representative bodies	72	0	35	107
Commercial investors	10	1	0	11
Legal professionals	27	4	4	35
Surveyors	7	0	3	10
Other professionals	3	0	0	3
Other consultees	40	1	8	49
Grand Total	159	6	50	215

Consultation Question 91

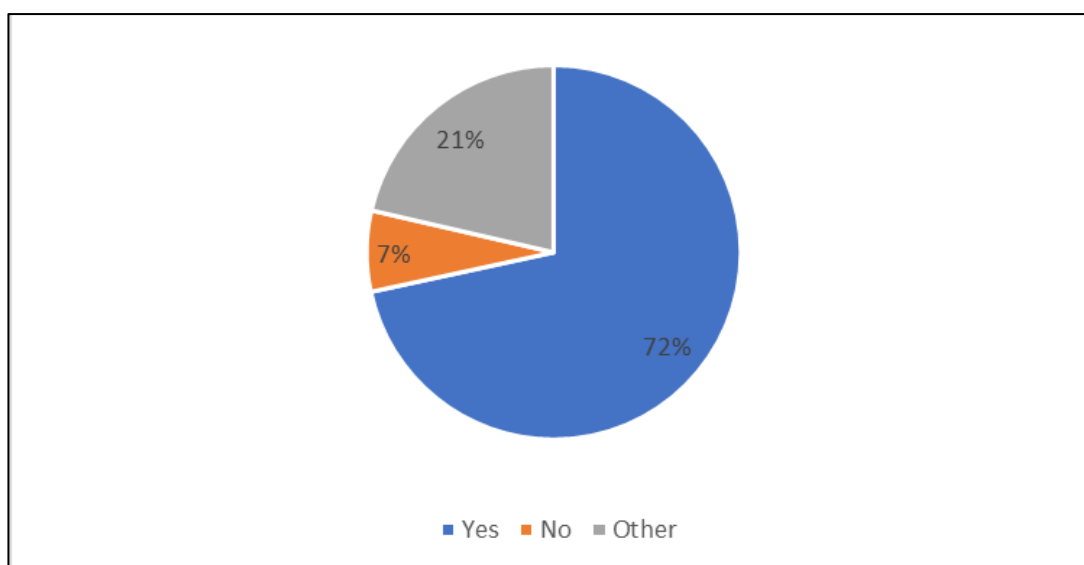
Consultation Question 91.

11.179 We provisionally propose that where the consent of a third party to any grant or transfer is required:

- (1) the grant or transfer may be registered without such consent being given; but
- (2) the landlord should be required to inform the beneficiary of the transaction not less than 21 days before completion, and also within 14 days of completion; and
- (3) if the landlord fails to inform the beneficiary as required, he or she will be liable for any losses that occur as a result.

Do consultees agree?

1.113 The statistics for Consultation Question 91 (para 11.179) were as follows, with 106 consultees providing comments with their answers.



Consultation Question 91 (para 11.179)	Yes	No	Other	Total
Leaseholders and representative bodies	77	1	31	109
Commercial investors	5	4	2	11
Social housing sector	0	0	1	1
Legal professionals	24	5	8	37
Surveyors	6	3	0	9
Other professionals	2	1	0	3
Other consultees	50	2	7	59
Grand Total	164	16	49	229

Consultation Question 92

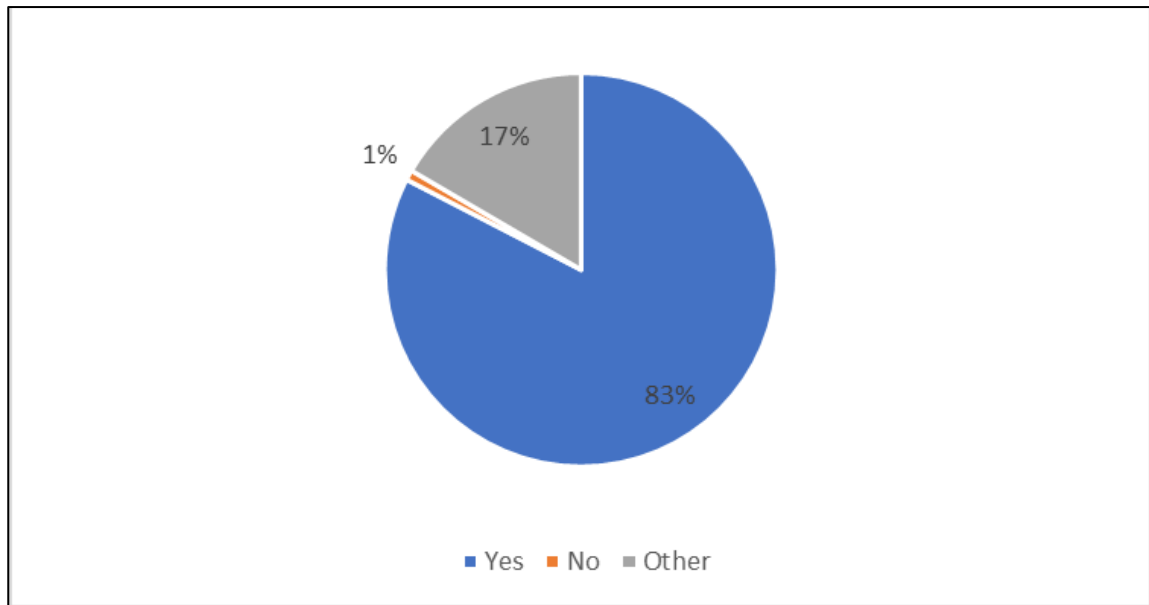
Consultation Question 92.

11.182 We provisionally propose the following.

- (1) Any lease extension, leaseback or transfer executed as part of an enfranchisement claim must contain a statement recording that it was executed pursuant to the relevant statutory provisions.
- (2) HM Land Registry should:
 - (a) include a note on the relevant registered title(s) of any interest granted or transferred (or in the case of an intermediate lease, surrendered and re-granted) as part of an enfranchisement claim that the interest had been executed pursuant to the relevant statutory provisions;
 - (b) in the case of a collective freehold acquisition, include a note of any period during which a further such claim cannot be made without the permission of the Tribunal.

Do consultees agree?

1.114 The statistics for Consultation Question 92 (para 11.182) were as follows, with 76 consultees providing comments with their answers.



Consultation Question 92 (para 11.182)				
	Yes	No	Other	Total
Leaseholders and representative bodies	82	0	31	113
Commercial investors	14	0	1	15
Social housing sector	0	1	0	1
Charitable sector	1	0	0	1
Legal professionals	38	0	1	39
Surveyors	10	0	0	10
Other professionals	4	0	0	4
Other consultees	50	1	7	58
Grand Total	199	2	40	241

Consultation Question 93.

11.183 How and to what extent has the exercise of enfranchisement rights been slowed down, prevented or made more costly by:

- (1) the existence of separate procedural regimes for different enfranchisement rights;
- (2) the current rules on missing and uncooperative landlords;
- (3) the time taken collecting up-to-date landlord contact details;
- (4) the time it takes to prepare enfranchisement notices;
- (5) the current law on the service and validity of notices;
- (6) the consequences of a landlord's failure to serve a counter-notice under the 1993 Act; and
- (7) the provisions for deemed withdrawal of a notice of claim set out in the 1993 Act?

Where possible, please provide figures to support your response.

11.184 To what extent would our proposals for a unified and consolidated enfranchisement procedure, with prescribed notices and forms, reduce:

- (1) the duration and cost of the enfranchisement process; and
- (2) the number of disputes arising under the enfranchisement regime?

11.185 To what extent would our proposals for dealing with missing or uncooperative landlords speed up the enfranchisement process and reduce the costs typically incurred by leaseholders in these cases?

1.115 Consultation Question 93 (paras 11.183 to 11.185) was a three-part question.

- (1) 212 consultees answered the first part (para 11.183).
- (2) 187 consultees answered the second part (para 11.184).
- (3) 177 consultees answered the third part (para 11.185).

Chapter 12

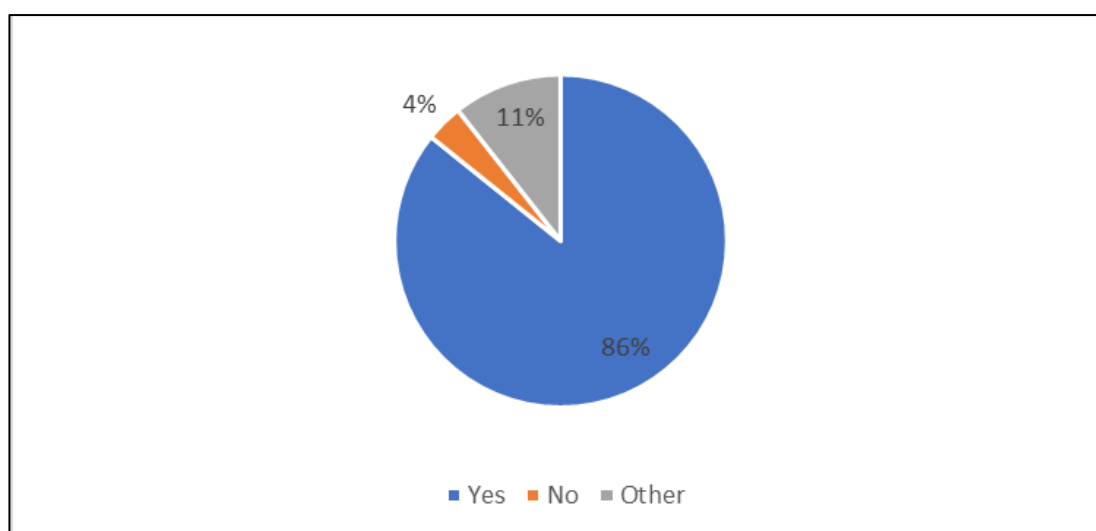
Consultation Question 94

Consultation Question 94.

12.60 We provisionally propose that the current division of responsibility for the resolution of enfranchisement disputes and issues between the county court and the Tribunal should end. All such matters should be determined by the Tribunal.

Do consultees agree?

1.116 The statistics for Consultation Question 94 (para 12.60) were as follows, with 229 consultees providing comments with their answers.



Consultation Question 94 (para 12.60)				
	Yes	No	Other	Total
Leaseholders and representative bodies	133	8	28	169
Commercial investors	15	0	1	16
Social housing sector	3	0	0	3
Charitable sector	2	0	0	2
Legal professionals	39	1	0	40
Surveyors	16	0	0	16
Other professionals	6	0	0	6
Other consultees	69	3	6	78
Grand Total	283	12	35	330

Consultation Question 95

Consultation Question 95.

12.68 We invite the views of consultees as to whether it would be desirable for certain valuation-only disputes to be determined by a single valuation expert rather than by the Tribunal at a full hearing. If so, we invite consultees' views as to:

- (1) the types of case in which such an alternative track for dispute resolution would be appropriate (in particular, whether it should operate only in respect of low value claims, or wherever the difference between the parties' positions is such that it would be disproportionate to proceed with a full hearing); and
- (2) the rules that should govern its operation.

1.117 278 consultees responded to Consultation Question 95 (para 12.68).

Consultation Question 96

Consultation Question 96.

12.69 We welcome evidence as to the typical cost and duration of an enfranchisement dispute:

- (1) in the county court; and
- (2) in the Tribunal.

12.70 How and to what extent has the exercise of enfranchisement rights been slowed down, prevented or made more costly by:

- (1) the threat of lengthy and potentially expensive litigation; and
- (2) the fact that some disputes arising during an enfranchisement claim may need to be resolved by the Tribunal, whilst others fall to be determined by the court?

12.71 To what extent would our proposal that all enfranchisement disputes be dealt with in a single forum save landlords and leaseholders time and money?

1.118 Consultation Question 96 (paras 12.69 to 12.71) was a three-part question.

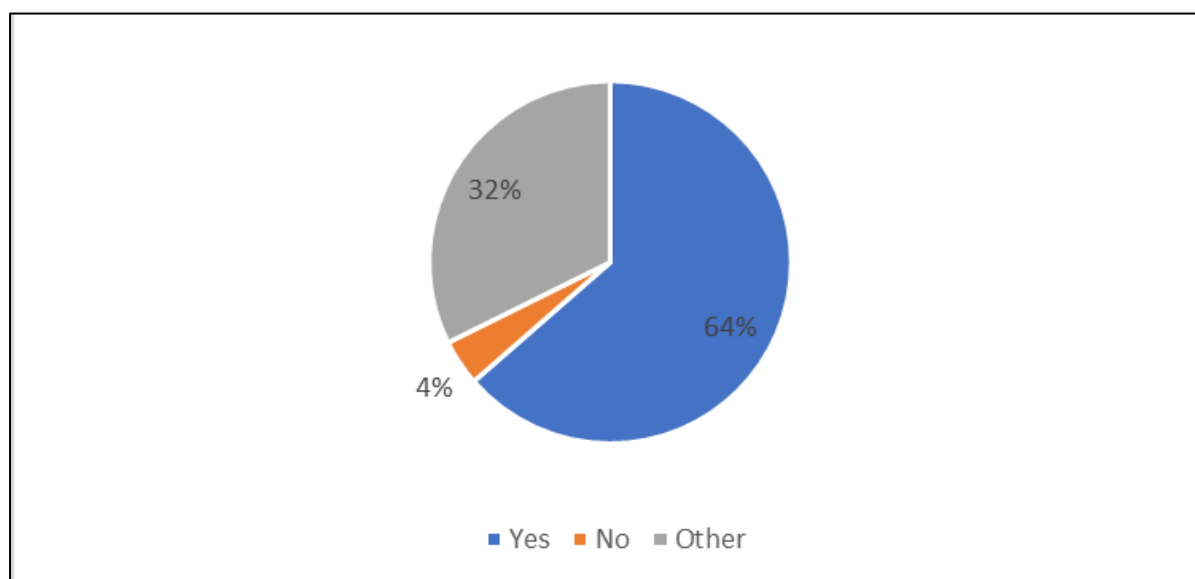
- (1) 180 consultees responded to the first part (para 12.69).
- (2) 170 consultees responded to the second part (para 12.70).
- (3) 175 consultees responded to the third part (para 12.71).

Consultation Question 97

Consultation Question 97.

12.72 We welcome evidence as to the proportion of leases likely to be suitable for resolution by a single valuation expert. Do consultees consider that dealing with cases on this alternative track is likely to save landlords and leaseholders time and money?

1.119 The statistics for Consultation Question 97 (para 11.72) were as follows, with 157 consultees providing comments with their answers.



Consultation Question 97 (para 11.72)				
	Yes	No	Other	Total
Leaseholders and representative bodies	63	4	35	102
Commercial investors	2	1	7	10
Social housing sector	1	0	0	1
Legal professionals	13	0	11	24
Surveyors	11	1	0	12
Other professionals	4	0	1	5
Other consultees	30	2	9	41
Grand Total	124	8	63	195

Chapter 13

Consultation Question 98

Consultation Question 98.

13.55 We invite the views of consultees as to whether leaseholders should be required to make any contribution to their landlord's non-litigation costs.

1.120 479 consultees answered Consultation Question 98 (para 13.55).

Consultation Question 99

Consultation Question 99.

13.89 We invite the views of consultees as to how any contribution that is to be made by leaseholders to their landlord's non-litigation costs should be calculated. Should the contribution be based on:

- (1) fixed costs;
- (2) capped costs;
- (3) fixed costs subject to a cap on the total costs payable;
- (4) the price paid for the interest in land acquired by the leaseholder;
- (5) the landlord's response to the Claim Notice, and/or whether the landlord succeeds in relation to any points raised in his or her Response Notice;
- (6) fewer categories of recoverable costs than currently set out in the 1967 and 1993 Acts;
- (7) the same categories of recoverable costs set out in the Acts, but with a reformed assessment procedure; or
- (8) wider categories of recoverable costs than currently set out in the Acts?

13.90 We also invite consultees' views as to whether, if a fixed costs regime were to be adopted:

- (1) such a regime should apply to collective freehold acquisition claims as well as individual enfranchisement claims; and
- (2) if a fixed costs regime were to apply to collective freehold acquisition claims:
 - (a) what additional features might justify the recovery of additional sums; and
 - (b) whether landlords should be able to recover all their reasonably incurred costs in respect of those additional features (subject to assessment), or only further fixed sums.

13.91 We provisionally propose that:

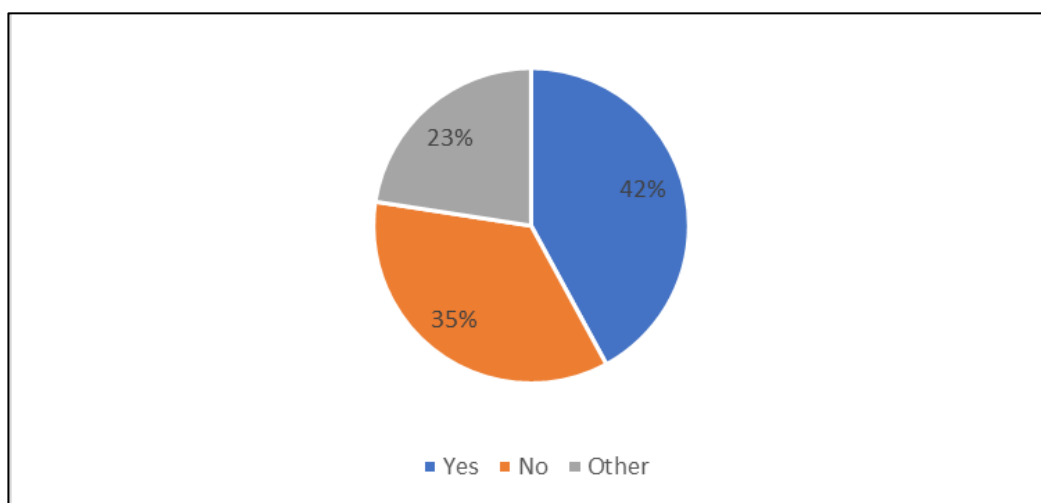
- (1) no additional costs should be recoverable in the case of split freeholds or other reversions, or where there are intermediate landlords; and
- (2) a small additional sum should be recoverable where a management company seeks advice in relation to an enfranchisement claim.

Do consultees agree?

1.121 Consultation Question 99 (paras 13.89 to 13.91) was a three-part question.

- (1) 398 consultees responded to the first part (para 13.89).
- (2) 236 consultees answered the second part (para 13.90).

- (3) In respect of the third part (para 13.91), the statistics were as follows (with 198 consultees providing comments with their answers).



Part 3 of Consultation Question 99 (para 13.91)

	Yes	No	Other	Total
Leaseholders and representative bodies	62	41	41	144
Commercial investors	4	6	1	11
Charitable sector	0	2	0	2
Legal professionals	11	13	11	35
Surveyors	6	5	1	12
Other professionals	2	3	0	5
Other consultees	40	35	13	88
Grand Total	125	105	67	297

Consultation Question 100

Consultation Question 100.

13.94 We provisionally propose that where an enfranchisement claim fails or is withdrawn, or the Claim Notice is struck out, leaseholders should be liable to pay a percentage of the fixed non-litigation costs that would have been payable had the claim completed.

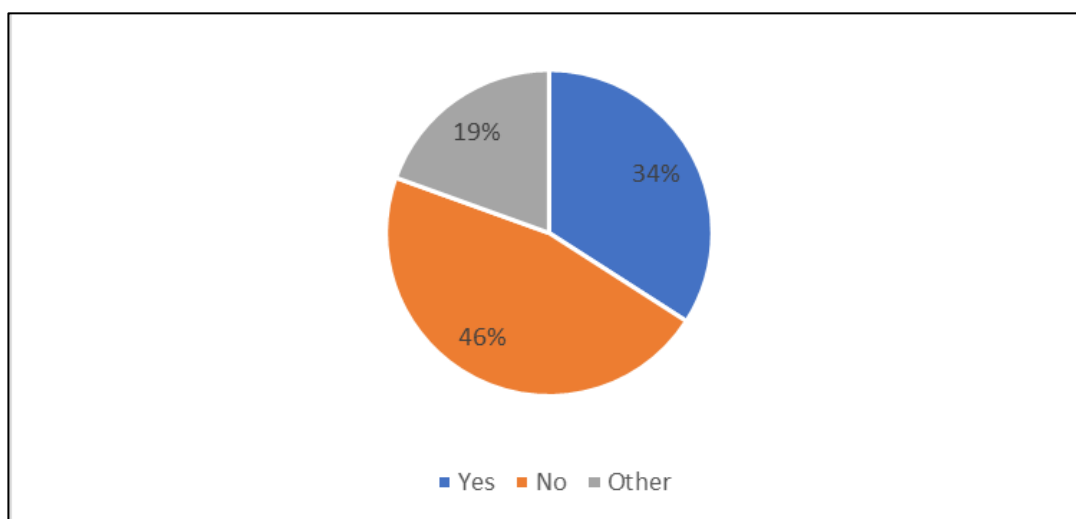
Do consultees agree?

13.95 We also provisionally propose that the percentage of the fixed non-litigation costs that should be payable in those circumstances should vary depending on the stage that the claim has reached.

Do consultees agree? If so, what percentages should apply at particular stages of the claim?

1.122 Consultation Question 100 (paras 13.94 to 13.95) was a two-part question.

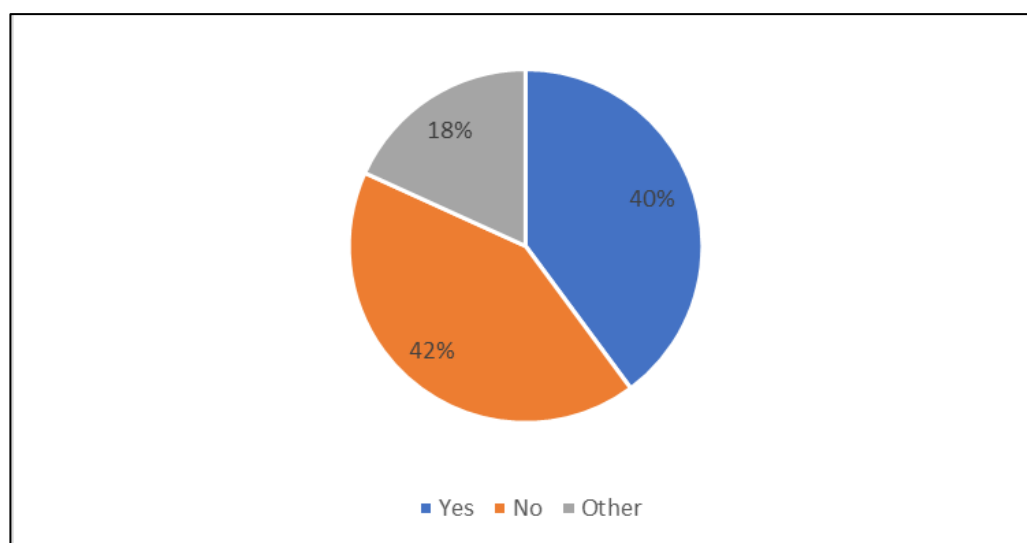
- (1) In respect of the first part (para 13.94), the statistics were as follows (with 236 consultees providing comments with their answers).



Part 1 of Consultation Question 100 (para 13.94)

	Yes	No	Other	Total
Leaseholders and representative bodies	46	78	39	163
Commercial investors	9	3	1	13
Social housing sector	1	0	1	2
Charitable sector	0	2	0	2
Legal professionals	17	16	8	41
Surveyors	8	5	2	15
Other professionals	4	2	0	6
Other consultees	34	56	17	107
Grand Total	119	162	68	349

- (2) In respect of the second part (para 13.95), the statistics were as follows (with 174 consultees providing comments with their answers).



Part 2 of Consultation Question 100 (para 13.95)

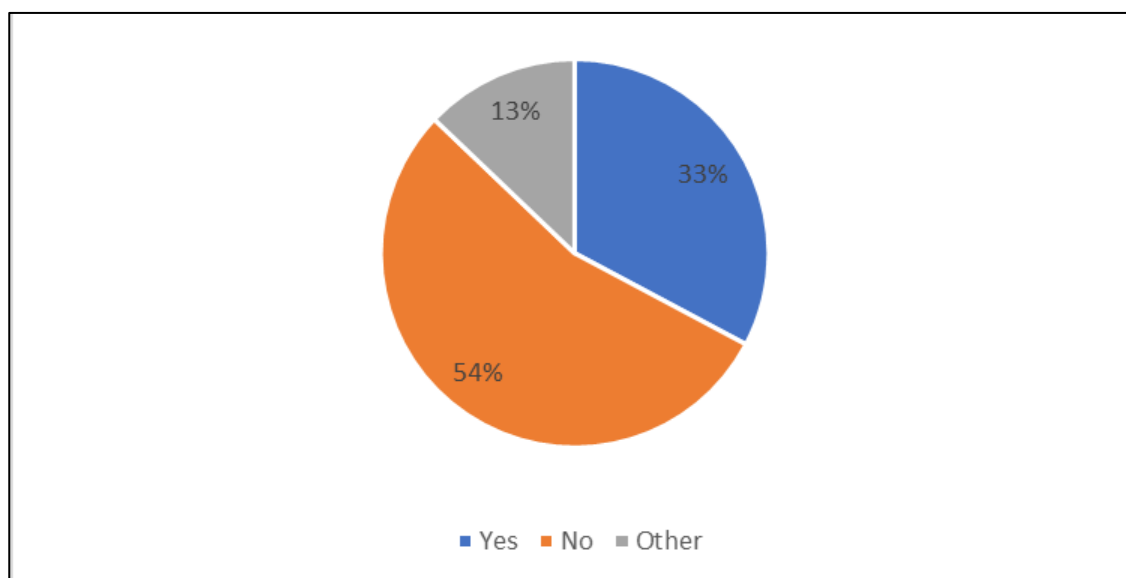
	Yes	No	Other	Total
Leaseholders and representative bodies	51	61	30	142
Commercial investors	6	2	2	10
Social housing sector	1	0	0	1
Charitable sector	0	1	0	1
Legal professionals	13	16	6	35
Surveyors	5	2	5	12
Other professionals	3	2	0	5
Other consultees	37	38	10	85
Grand Total	116	122	53	291

Consultation Question 101

Consultation Question 101.

13.98 We provisionally propose that a landlord should have a right to seek security for his or her non-litigation costs. Do consultees agree?

1.123 The statistics for Consultation Question 101 (para 13.98) were as follows, with 192 consultees providing comments with their answers.

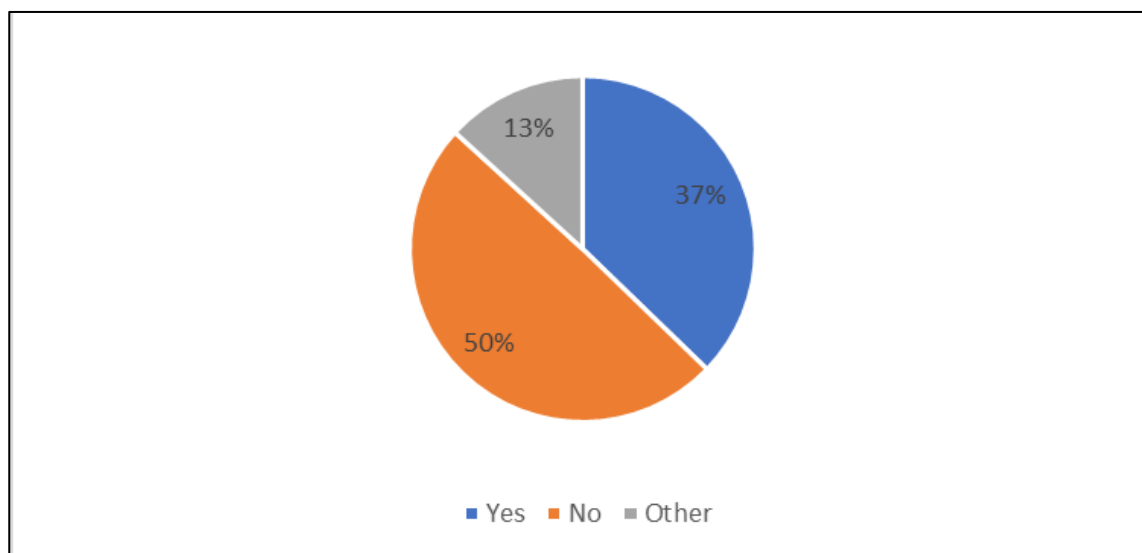


Consultation Question 101 (para 13.98)				
	Yes	No	Other	Total
Leaseholders and representative bodies	26	105	33	164
Commercial investors	15	1	0	16
Social housing sector	2	0	0	2
Charitable sector	3	0	0	3
Legal professionals	33	7	3	43
Surveyors	11	3	2	16
Other professionals	5	2	0	7
Other consultees	22	76	8	106
Grand Total	117	194	46	357

Consultation Question 102

<p>Consultation Question 102.</p> <p>13.101 We provisionally propose that a landlord should have a right to apply to the Tribunal for an order prohibiting named leaseholders from serving any further Claim Notice without the permission of the Tribunal.</p> <p>Do consultees agree?</p>
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1.124 The statistics for Consultation Question 102 (para 13.101) were as follows, with 155 consultees providing comments with their answers.



Consultation Question 102 (para 13.101)				
	Yes	No	Other	Total
Leaseholders and representative bodies	29	94	30	153
Commercial investors	16	1	1	18
Social housing sector	2	0	0	2
Charitable sector	2	0	0	2
Legal professionals	30	6	1	37
Surveyors	11	2	1	14
Other professionals	2	4	0	6
Other consultees	29	54	10	93
Grand Total	121	161	43	325

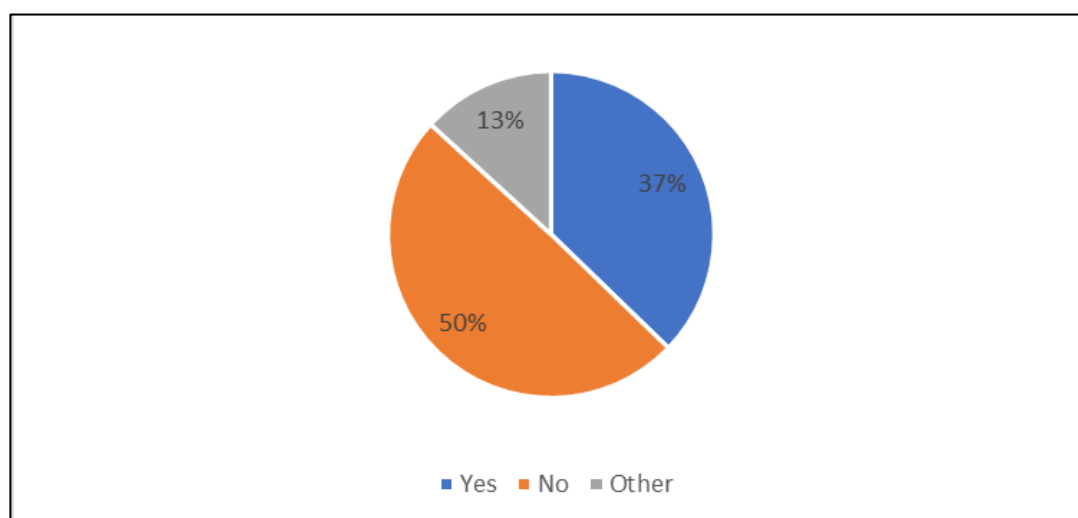
Consultation Question 103

Consultation Question 103.

13.110 We provisionally propose that the existing limited powers of the Tribunal to order one party to pay the litigation costs of another party in an enfranchisement claim should apply to all disputes and issues that it is to decide (except in respect of orders made under the No Service Route, orders permitting a landlord to participate in a claim or to set aside a determination, and orders striking out a Claim Notice).

Do consultees agree? If not, what types of disputes and/or issues should be excluded from such restrictions and why? What powers to make orders in respect of litigation costs should apply in such excluded cases? Should parties be able to agree that costs shifting will apply to all or part of a claim?

1.125 The statistics for Consultation Question 101 (para 13.110) were as follows, with 169 consultees providing comments with their answers.

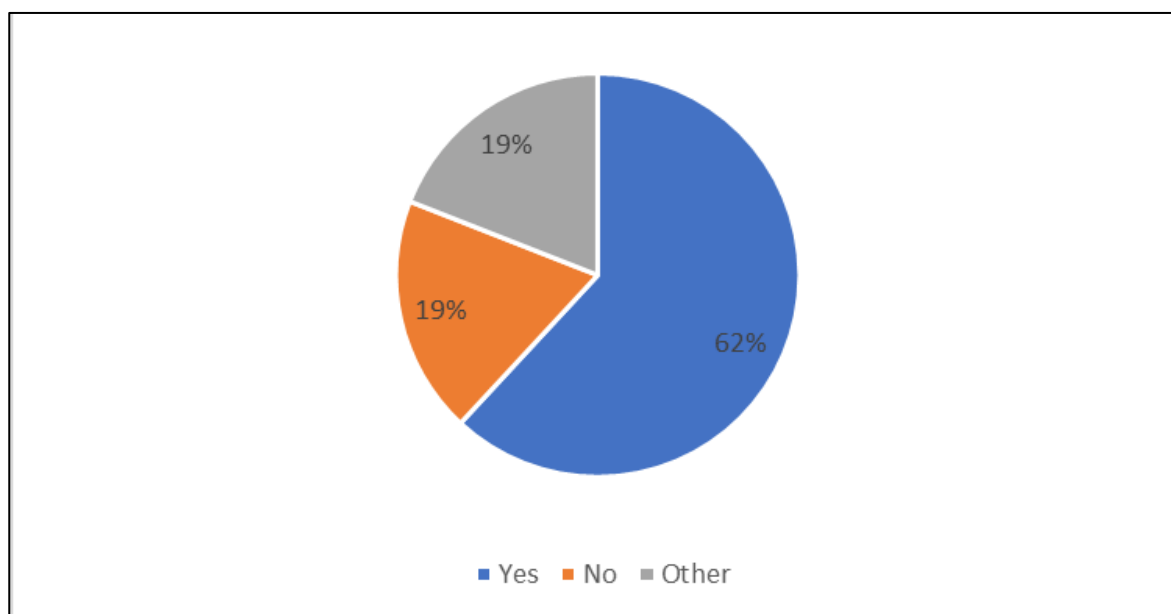


Consultation Question 103 (para 13.110)				
	Yes	No	Other	Total
Leaseholders and representative bodies	35	26	49	110
Commercial investors	13	2	2	17
Social housing sector	1	0	0	1
Charitable sector	2	1	0	3
Legal professionals	26	10	2	38
Surveyors	8	1	6	15
Other professionals	3	3	0	6
Other consultees	34	12	14	60
Grand Total	122	55	73	250

Consultation Question 104

<p>Consultation Question 104.</p> <p>13.114 We provisionally propose that the scope of the Tribunal's existing power to order one party to pay any of the litigation costs of another party should not be extended.</p> <p>Do consultees agree?</p>
--

1.126 The statistics for Consultation Question 104 (para 13.114) were as follows, with 148 consultees providing comments with their answers.



Consultation Question 104 (para 13.114)				
	Yes	No	Other	Total
Leaseholders and representative bodies	83	12	36	131
Commercial investors	10	5	1	16
Social housing sector	0	1	0	1
Charitable sector	0	1	2	3
Legal professionals	21	16	2	39
Surveyors	10	4	1	15
Other professionals	3	3	0	6
Other consultees	55	14	14	83
Grand Total	182	56	56	294

Consultation Question 105

Consultation Question 105.	
13.115 We welcome evidence as to:	
(1)	the typical costs incurred by landlords in dealing with enfranchisement claims; and
(2)	the proportion of those costs which can be recovered from leaseholders.
13.116 To what extent does the obligation on leaseholders to pay their landlords' reasonable costs arising from the enfranchisement process have an impact on leaseholders' willingness to bring or pursue enfranchisement claims?	
13.117 Do consultees consider that any of the options we have set out at paragraphs 13.56 to 13.77 for reforming non-litigation costs would make leaseholders more willing to bring and pursue enfranchisement claims?	
13.118 What would be the impact on landlords of removing, or capping, their entitlement to recover their non-litigation costs from leaseholders (other than the fact that they would have to meet those costs themselves)?	

1.127 Consultation Question 105 (paras 13.115 to 13.118) was a four-part question.

- (1) 204 consultees responded to the first part (para 13.115).
- (2) 225 consultees responded to the second part (para 13.116).
- (3) In respect of the third part (para 13.117), consultees answered in the following way (with 151 consultees providing comments with their answers):
 - (a) 86 supported "Fixed costs".
 - (b) 66 supported "Capped costs".
 - (c) 89 supported "Fixed costs subject to a cap on the total costs payable".

- (d) 22 supported “Relating the non-litigation costs to the price paid for the interest acquired by the leaseholder”.
 - (e) 15 supported “Linking non-litigation costs to the landlord’s response to the claim and/or whether the landlord succeeds in relation to any points raised in the Response Notice”.
 - (f) 63 supported “Reducing the categories of recoverable costs”.
 - (g) 9 supported “Preserving the current categories while reforming assessment procedures”.
 - (h) 11 supported “Retaining the same categories of recoverable costs as the current law but with a reformed assessment procedure”.
 - (i) 7 supported “Expanding the categories of recoverable non-litigation costs”.³
- (4) 196 consultees responded to the fourth part of the Consultation Question (para 13.118).

Consultation Question 106

Consultation Question 106.

13.119 How and to what extent do the different powers of the Tribunal and the county court to award litigation costs in enfranchisement disputes have an impact on the behaviour of both landlords and leaseholders with respect to such disputes?

1.128 197 consultees answered Consultation Question 106 (para 13.119).

Chapter 14

1.129 There were no consultation questions in Chapter 14.

Chapter 15

1.130 The statistics in respect of the questions relating to Chapter 15 (valuation) are set out in a separate document, available on our website.

³ It was possible for consultees to select multiple options from this list.

Chapter 16

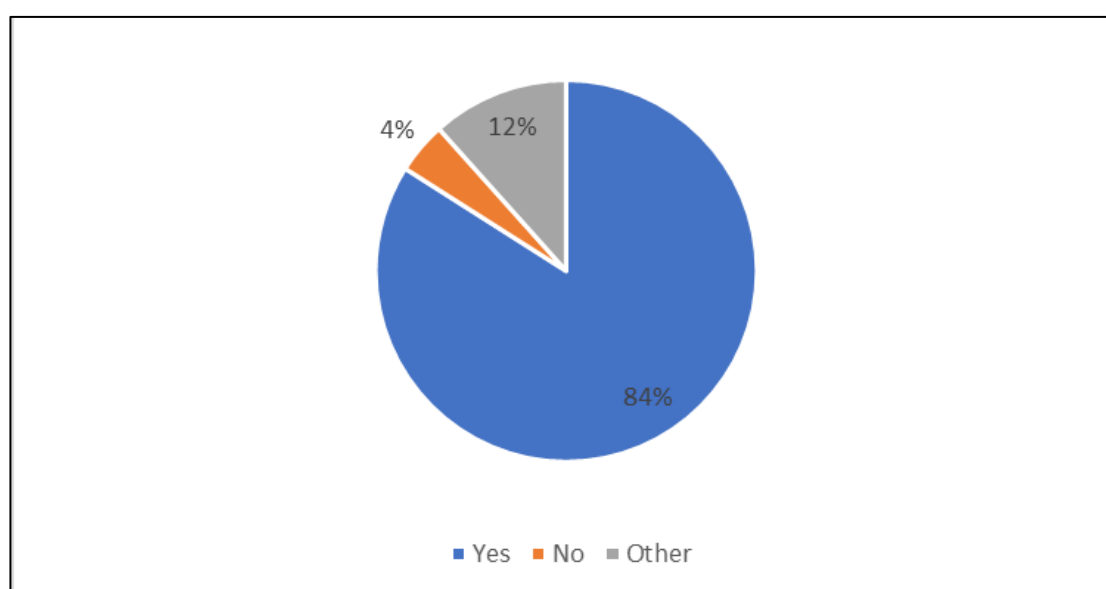
Consultation Question 126

Consultation Question 126.

16.118 We provisionally propose creating a statutory duty on the landlord who has conduct of an enfranchisement claim to act with reasonable care and skill, and to act in good faith, in respect of the interests of other landlords.

Do consultees agree?

1.131 The statistics in respect of Consultation Question 126 (para 16.118) were as follows, with 127 consultees providing comments with their answers.



Consultation Question 126 (para 16.118)				
	Yes	No	Other	Total
Leaseholders and representative bodies	105	2	18	125
Commercial investors	10	2	3	15
Social housing sector	1	0	0	1
Charitable sector	0	0	1	1
Legal professionals	35	3	3	41
Surveyors	12	0	4	16
Other professionals	4	1	0	5
Other consultees	64	4	3	71
Grand Total	231	12	32	275

Consultation Question 127

Consultation Question 127.

16.121 We invite the views of consultees as to whether an intermediate lease created as part of a collective freehold acquisition claim should be acquired by a nominee purchaser on any subsequent collective freehold acquisition of the premises.

1.132 168 consultees answered Consultation Question 127 (para 16.121).

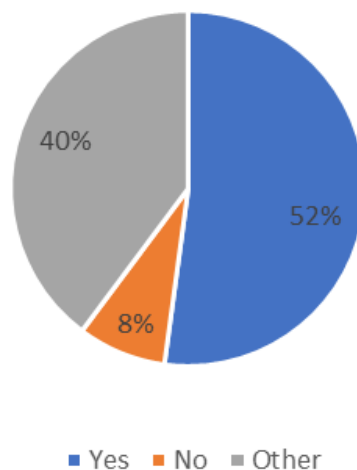
Consultation Question 128

Consultation Question 128.

16.123 We provisionally propose that, where the leaseholder of a flat also holds an intermediate lease in respect of that flat, the intermediate lease of that flat should not be acquired on any collective freehold acquisition of the premises.

Do consultees agree?

1.133 The statistics in respect of Consultation Question 128 (para 16.123) were as follows, with 112 consultees providing comments with their answers.



Consultation Question 128 (para 16.123)	Yes	No	Other	Total
Leaseholders and representative bodies	29	4	48	81
Commercial investors	11	1	1	13
Social housing sector	0	0	1	1
Charitable sector	1	0	0	1
Legal professionals	29	3	4	36
Surveyors	5	2	5	12
Other professionals	2	1	0	3
Other consultees	20	4	15	39
Grand Total	97	15	74	186

Consultation Question 129

Consultation Question 129.

16.125 We provisionally propose that, in a collective freehold acquisition claim, where there is an intermediate lease of the whole building, but not all the flats within the building are let on long sub-leases (so the intermediate leaseholder would be treated as the qualifying tenant of some of the flats), either:

- (1) the whole of the intermediate lease should not be acquired; or
- (2) the whole of the intermediate lease should be acquired, but there should be a leaseback to the intermediate leaseholder of flats of which he or she would be the qualifying tenant?

Do consultees agree with either of these alternative proposals? If so, which approach is preferred and why?

1.134 169 consultees answered Consultation Question 129 (para 16.125).

Consultation Question 130

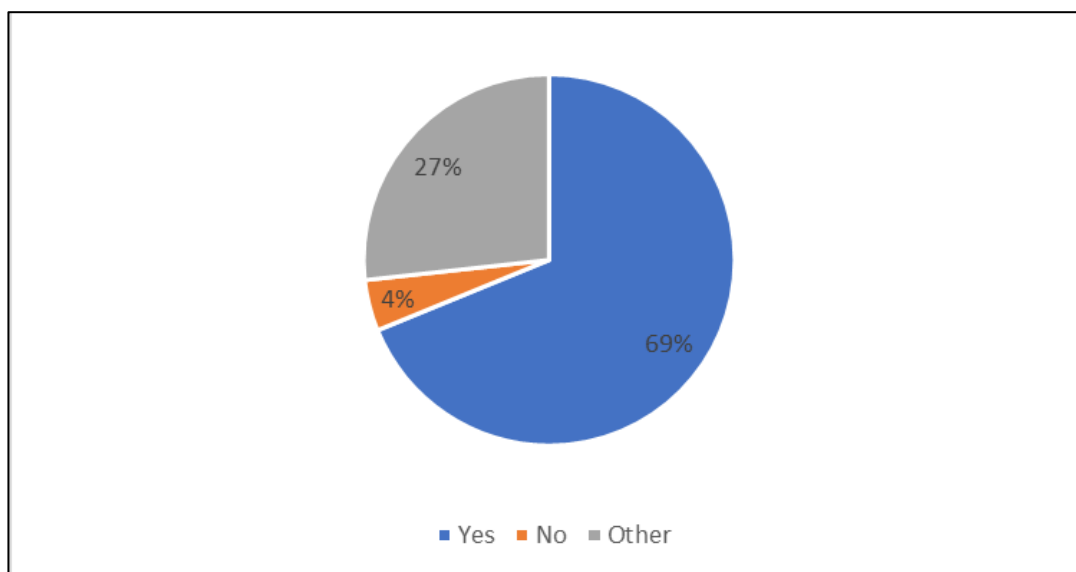
Consultation Question 130.

16.129 We provisionally propose that, as part of any collective freehold acquisition claim:

- (1) leases containing common parts together with other property should continue to be capable of being acquired by the nominee purchaser where it is reasonably necessary for the proper management or maintenance of those common parts; and
- (2) the Tribunal should have power to sever a lease containing common parts together with other property, or to introduce new or varied easements to ensure proper management or maintenance of those common parts, as an alternative to ordering that the whole of the lease be acquired by the nominee purchaser.

Do consultees agree?

1.135 The statistics in respect of Consultation Question 130 (para 16.129) were as follows, with 113 consultees providing comments with their answers.



Consultation Question 130 (para 16.129)				
	Yes	No	Other	Total
Leaseholders and representative bodies	49	4	36	89
Commercial investors	11	1	1	13
Social housing sector	1	0	0	1
Charitable sector	1	0	0	1
Legal professionals	32	0	5	37
Surveyors	12	0	1	13
Other professionals	2	1	0	3
Other consultees	31	3	11	45
Grand Total	139	9	54	202

Consultation Question 131

Consultation Question 131.

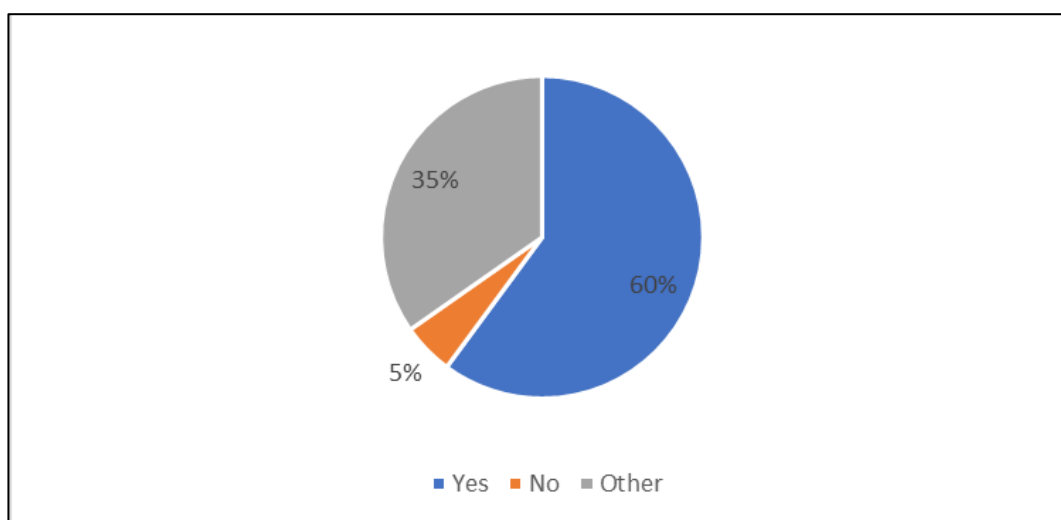
16.133 We provisionally propose that a lease of common parts granted for development purposes should not be acquired by a nominee purchaser on a collective freehold acquisition claim unless:

- (1) the severance of any part of that lease; and/or
- (2) the introduction of new, or the variation of existing, easements;

would both permit the proper management of any common parts, and substantially preserve the intended development.

Do consultees agree?

1.136 The statistics in respect of Consultation Question 131 (para 16.133) were as follows, with 101 consultees providing comments with their answers.



Consultation Question 131 (para 16.133)				
	Yes	No	Other	Total
Leaseholders and representative bodies	28	3	49	80
Commercial investors	15	1	0	16
Social housing sector	1	0	0	1
Charitable sector	1	0	0	1
Legal professionals	28	2	5	35
Surveyors	9	1	1	11
Other professionals	3	1	0	4
Other consultees	31	2	12	45
Grand Total	116	10	67	193

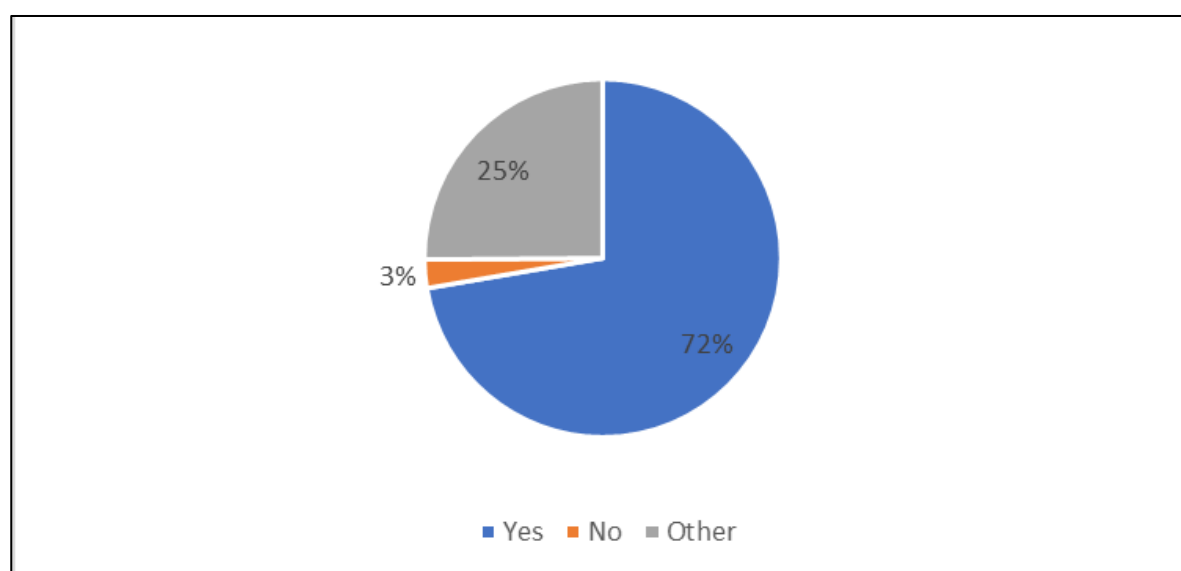
Consultation Question 132

Consultation Question 132.

16.137 We provisionally propose that leaseholders holding sub-leases granted out of leases that had previously been extended under the existing or any future statutory enfranchisement regime should be entitled to bring, or participate in, an enfranchisement claim.

Do consultees agree?

1.137 The statistics in respect of Consultation Question 132 (para 16.137) were as follows, with 100 consultees providing comments with their answers.



Consultation Question 132 (para 16.137)				
	Yes	No	Other	Total
Leaseholders and representative bodies	48	2	32	82
Commercial investors	12	1	1	14
Social housing sector	0	0	1	1
Legal professionals	31	2	2	35
Surveyors	13	0	1	14
Other professionals	2	0	1	3
Other consultees	35	0	11	46
Grand Total	141	5	49	195

Consultation Question 133

Consultation Question 133.

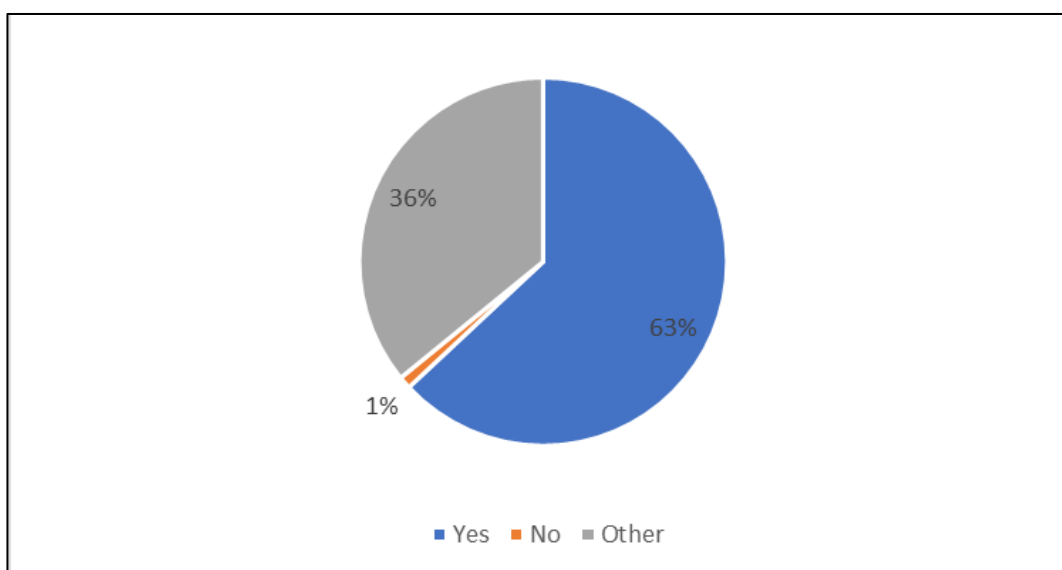
16.140 We provisionally propose that the separate designations of “Minor Superior Tenancy” and “Minor Intermediate Leasehold Interest” and the formulae relating to them should be removed. Those interests which currently fall within the existing definitions would then be valued on the same basis as all other intermediate leases.

Do consultees agree?

16.141 If not, do consultees agree that the thresholds in the formulae that apply to a Minor Superior Tenancy and/or a Minor Intermediate Leasehold Interest ought to be increased?

1.138 Consultation Question 133 (paras 16.140 to 16.141) was a two-part question.

- (1) The statistics in respect of the first part (para 16.140) were as follows, with 107 consultees providing comments with their answers.



Part 1 of Consultation Question 133 (para 16.140)

	Yes	No	Other	Total
Leaseholders and representative bodies	36	2	45	83
Commercial investors	9	0	2	11
Social housing sector	0	0	1	1
Charitable sector	1	0	0	1
Legal professionals	22	0	4	26
Surveyors	16	0	0	16
Other professionals	3	0	0	3
Other consultees	29	0	14	43
Grand Total	116	2	66	184

- (2) 74 consultees responded to the second part of Consultation Question 133 (para 16.141).

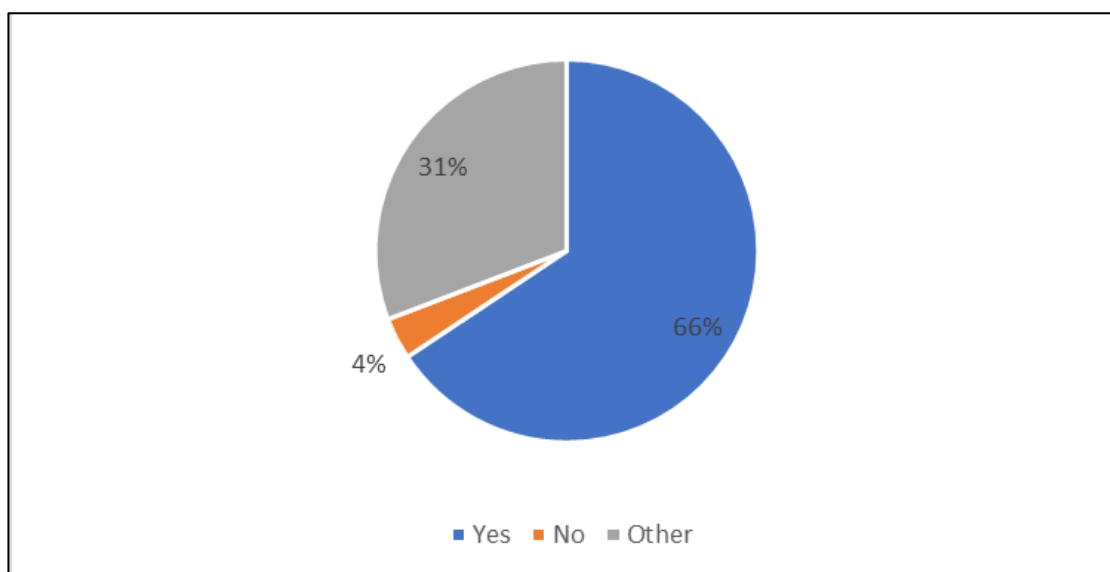
Consultation Question 134

Consultation Question 134.

16.142 We provisionally propose that, on any individual lease extension claim, the rent payable by an intermediate landlord should be commuted on a pro rata basis. Primarily this approach would avoid creating a negative value in an intermediate lease, which the leaseholders could use to their advantage in the way that was done in the case of *Alice Ellen Cooper-Dean Charitable Foundation Trustees v Greensleeves Owners Limited*.

Do consultees agree?

- 1.139 The statistics in respect of Consultation Question 134 (para 16.142) were as follows, with 120 consultees providing comments with their answers.



Consultation Question 134 (para 16.142)				
	Yes	No	Other	Total
Leaseholders and representative bodies	40	4	44	88
Commercial investors	12	1	0	13
Social housing sector	0	0	1	1
Charitable sector	2	0	0	2
Legal professionals	27	1	4	32
Surveyors	17	0	0	17
Other professionals	4	0	0	4
Other consultees	28	1	12	41
Grand Total	130	7	61	198

Consultation Question 135

Consultation Question 135.

16.143 We welcome evidence as to the likely impact (financial and otherwise) on landlords of a new statutory duty requiring them to act with reasonable care and skill, and in good faith, in respect of the interests of other landlords.

1.140 193 consultees answered Consultation Question 135 (para 16.143).

Additional comments

1.141 619 consultees made additional comments regarding this Consultation Paper.